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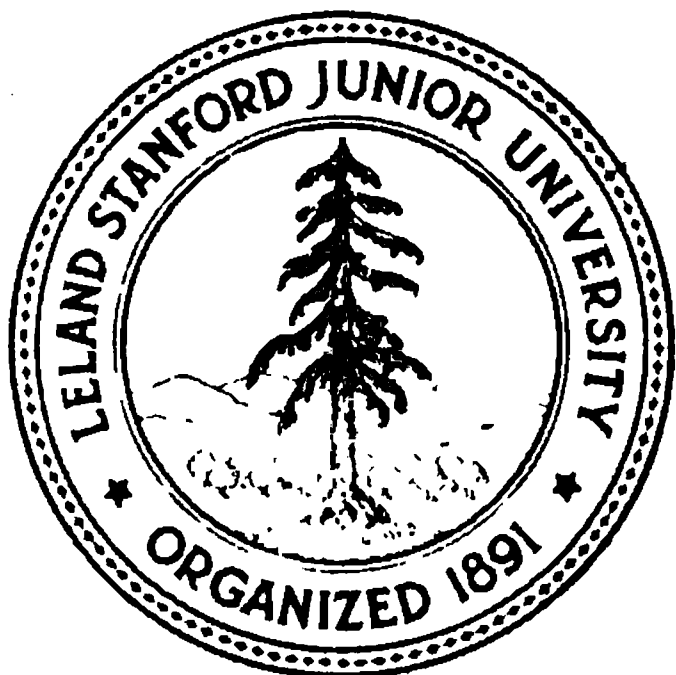
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BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY UNITED STATES SENATE

SIXTY-FIFTH CONGRESS

SECOND AND THIRD SESSIONS

PURSUANT TO

S. RES. 307

**A RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE
ON THE JUDICIARY TO CALL FOR CERTAIN EVIDENCE AND
DOCUMENTS RELATING TO CHARGES MADE AGAINST
THE UNITED STATES BREWERS' ASSOCIATION AND
ALLIED INTERESTS AND TO SUBMIT A REPORT
OF THEIR INVESTIGATION TO THE SENATE**

VOL. 2

Printed for the use of the Committee on the Judiciary



**WASHINGTON
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1919**

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BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

FRIDAY, DECEMBER 6, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m. in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Wolcott, Nelson, and Sterling.

TESTIMONY OF MR. A. BRUCE BIELASKI.

(The witness was sworn by the chairman.)

Maj. HUMES. Mr. Bielaski, this committee is in receipt of a communication from the Attorney General, in which he states, among other things:

In accordance with your request, I have designated Mr. A. Bruce Bielaski, of this department, to make to your committee a detailed statement as to German propaganda.

Are you prepared to make such a detailed statement at this time?

Mr. BIELASKI. Yes.

Maj. HUMES. Will you proceed, then, in your own way to make the presentation?

Mr. BIELASKI. I should like to have the letter of Senator Overman to the Attorney General and his answer filed as exhibits, explaining the circumstances under which I do appear before the committee.

(The exhibits referred to, marked "Bielaski Exhibit No. 1" and "Bielaski Exhibit No. 2," are here printed in full in the record, as follows:)

BIELASKI EXHIBIT No. 1.

[Copy.]

NOVEMBER 13, 1918.

HON. T. W. GREGORY,
Attorney General, Washington, D. C.

MY DEAR SIR: At a meeting of the investigating committee in regard to German propaganda and other matters I was directed by the committee to request that you designate some man from your Department to make to the committee a detailed statement of such information as you have in your office in regard to this German propaganda, and that he make a full statement to the committee, to save us the trouble of having the documents produced, and that he make such a statement as would be subject to proof in your office if the documents were required. If you will so designate him we will expect his attendance here in about ten days or two weeks.

It will also be very agreeable to the committee if you will designate some intelligence man from the Bureau of Investigation to assist and cooperate with Major Humes, who has kindly consented to conduct the investigation for us, to get such testimony relating to these matters as he may deem necessary to fully carry out the purpose of the resolution.

Very truly yours,

LEE S. OVERMAN.

BIELASKI EXHIBIT No. 2.

[Copy.]

9-5-1419-9 G-M

NOVEMBER 16, 1916

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

DEAR SENATOR: I acknowledge receipt of yours of the 13th.

In accordance with your request, I have designated Mr. A. Bruce Bielaski of this Department, to make to your Committee a detailed statement of German propaganda. As heretofore indicated, it will give me pleasure to give your committee access to the files of this Department in all cases in which there is not some special reason why it should not be done. I have instructed Mr. Bielaski to begin at once the preparation of notes and data which he will need in making the statement referred to. I think he will be ready to present it within a week or ten days.

I have designated Mr. William Benham, of Washington, D. C., a first class man from the Bureau of Investigation of this Department, to assist your Committee by co-operating with Major Humes in making any investigations which you may deem desirable. I have selected Mr. Benham because Major Humes knows him personally and feels that he is the type of man needed.

Very truly yours,

(sgd)

T. W. GREGORY,
Attorney General

Mr. BIELASKI. The Department of Justice, as the law-enforcement arm of the Government, has been primarily interested in the collection of evidence for the purpose of prosecution, and for many years has made it a rule not to make public information so collected in any other manner; but the Attorney General feels that because of the direct request of the committee and the importance of the subject matter under investigation he should make an exception to the department's general rule and lay before you the data which the department has with respect to German propaganda.

During the war we have collected an immense amount of information. Some of it has been in our files for a long time and some of it has only come to us comparatively recently.

At the outset of the war the Department had no authority whatever to make investigations of anything of the sort, except in so far as it might indicate a violation of law; but at the request of the War Department, effective the 1st of July, 1916, the appropriation which provides the money for the Bureau of Investigation was amended as to make it possible to make investigations of matters in which the State Department was interested, at the request of the Secretary of State, and with the approval of the Attorney General, even though those matters did not amount to violations of law. Of course, there was no statute making the German propaganda, or the propaganda of any foreign Government, unlawful when the European war broke out.

The many violations of the criminal statutes which were participated in and planned by the representatives of the German Government, I take it, are quite outside of what you gentlemen are interested in, and for that reason I have not prepared a statement with respect to the criminal violations of the law. Most of those matters are public, anyway.

The scope of German propaganda in this country was very wide. It embraced the furnishing of news secretly to newspapers, the distribution of film, the sending of lecturers through the country, the sending of newspaper correspondents from Germany to this country.

try to write favorable matter for the papers, the sending of American correspondents abroad to send back to this country propaganda favorable to Germany. It embraced propaganda——

Senator OVERMAN. Did they do that through the Associated Press?

Mr. BIELASKI. I will give you the details of each of these things shortly. It embraced propaganda among the Irish, among the Jews, among the Catholics. Everywhere where the representatives of Germany saw a chance to advance, as they thought, their own interests they officially sent money and directed effort to bring it about.

The organization of German propaganda came about in this way: Dr. Dernburg, who was the secretary of state for the colonies—I think that is the translation of his title—came to the United States in September, 1914, as the head of a mission of which Heinrich Albert, officially attached to the embassy as commercial attaché, and Isaac Strauss, Meyer Gerhard, and Capt. Hecker were members. They brought with them \$150,000,000 in German treasury notes, with the expectation that they would find a ready sale in this country, and that from the proceeds propaganda expenses would be met, commercial enterprises paid for, such as the shipment of goods into Germany which were desired, and munitions of war purchased.

Senator NELSON. Were these notes, as you call them, bonds?

Mr. BIELASKI. These were so-called two-year treasury notes.

Senator NELSON. Of the German Government?

Mr. BIELASKI. Of the German Government. They, however, did not find any market, and only \$5,000,000 worth of these notes were used for the purpose of collateral in raising money. I will a little later give you some more details as to the financial arrangements of the organization.

Soon after they came here they employed a man named M. B. Claussen, who had been the publicity agent for the Hamburg-American Line, to organize what was called the German information bureau. That bureau was not, however, publicly known as supported by the German Government in any way. It opened offices at 1123 Broadway and at another address in New York, 30 East Forty-second Street. Its purpose was to furnish to all of the daily newspapers, free of charge, each day a sheet of so-called information from a pro-German standpoint. It did send out daily to from 500 to 800 newspapers this sheet, under the head of "German information bureau."

Senator STERLING. When did this begin?

Mr. BIELASKI. This began in September and November, 1914.

Senator NELSON. In this connection, let me ask, if it does not interfere with you, did the papers generally take the stuff?

Mr. BIELASKI. The papers generally did, because it was sent to them without cost to them. They took it much more generally than they used it.

Senator OVERMAN. Did they send out a mat?

Mr. BIELASKI. They sent out a circular sheet.

Senator OVERMAN. Did they send out a sheet or a mat ready to be set up?

Mr. BIELASKI. No; they sent out a sheet, not a mat.

Senator WOLCOTT. You said that the papers took it more generally than they used it?

Mr. BIELASKI. Yes.

Senator WOLCOTT. I take it Senator Nelson was interested to know whether the papers generally published it?

Senator NELSON. Yes; that is what I meant.

Mr. BIELASKI. The papers published some of it—published selected items. I could not tell how generally the press used it without examination of all the papers, which we have not made; but, speaking generally, it was not successful from the standpoint of the Germans, because the papers did not make the use of it that they expected. On this letterhead of the German information service appears this statement:

Conducted by M. B. Claussen at the request of a number of American citizens who believe that the public desires to be informed as to both sides of the question that it may form its own opinions from the facts.

That, like everything else they did, was intended to deceive people, because the bureau was organized, financed, and directed by the official representatives of Germany. Claussen, while the nominal head, was actually controlled by a Dr. K. A. Fuehr, who had been in the consular and diplomatic service of Japan.

Senator NELSON. How do you spell his name?

Mr. BIELASKI. F-u-e-h-r. He managed the finances of the organization. He had under his and Claussen's direction a large force of translators. They gathered all the data of every kind they could get about happenings favorable to the German Government—as victories and incidents which were critical of the allied Governments in any way—and hashed them up into this sheet which was sent out.

The management of this sheet by Mr. Claussen was not successful from the standpoint of Dr. Fuehr and Dr. Albert and Dr. Dernburg who was still in this country.

Dr. Dernburg, by the way, remained here delivering lectures and having himself interviewed by newspaper correspondents until just after the sinking of the *Lusitania*, when he delivered at Cleveland a speech justifying the sinking of the *Lusitania* and made his presence so objectionable that it was suggested to the representatives of the German Government that he go home, and he did sail, I think, on the 22d of June, 1915. Thereafter Dr. Heinrich Albert was in full charge of German propaganda in this country.

The first record that we have about the German information bureau and Dr. Dernburg's efforts is under date of November 5, 1914. I should state, however, that in control of this bureau was an informal committee which was presided over by Dr. Dernburg while he was here and after he left by Albert, when he was present at the meetings; otherwise by Fuehr. Present at the meetings of this committee almost always was George Sylvester Viereck.

Senator NELSON. Editor of the Fatherland?

Mr. BIELASKI. Editor of the Fatherland, of whom we shall have a great deal to say by and by; also William Bayard Hale; Cromeyer, an American citizen employed by the Hamburg-American Line; usually Mr. Meyer, also of the Hamburg-American Line; Edward Rumely, especially while Dr. Dernburg was here, and occasionally other men interested in this organization, like Capt. Heck for instance, and Strauss who was brought over here especially for the purpose of conducting the Jewish propaganda.

Senator STERLING. What was the place of the meetings of this organization?

Mr. BIELASKI. The meetings were usually held at 1123 Broadway, but they frequently met at other places. They had no stated time of meeting. They would meet twice a week, as a usual thing. While Dr. Dernburg was here the meeting was usually devoted to a speech by the doctor, and then the discussion of what they should do; whether they should give some money to this paper or to that paper, print this document or that, and so on.

This first conference, the minutes of which we have, appears to have been at the Ritz-Carlton on November 5, 1914, and I will read some parts of this memorandum but not all of it. [Reading:]

BIELASKI EXHIBIT No. 3.

At the conference which took place to-day with his excellency, Mr. Secretary of State, Dr. Dernburg, at the Hotel Ritz-Carlton, the following gentlemen were present:

High Privy Counsellor Dr. Meyer-Gerhard, Consul Hecker.

Director Meyer (Hamburg-American Line).

Cronmeyer (Ditto).

Dr. Fuehr.

His Excellency the Imperial Ambassador, Count V. Bernstorff remained for a part of the conference.

Mr. State Secretary Dr. Dernburg, brought out the following:

"As the state of war in Europe has developed itself within the past weeks, the public opinion of America in a pro-German sense is now as well as formerly of the greatest importance to Germany. Our efforts which we have undertaken in this direction must not only be continued, but must be substantially enlarged upon. Our campaign is to the English unquestionably uncomfortable. Mr. Elliott was therefore sent here to oppose us; now the former Ambassador Bryce has been set against us, who is directly meddling to agitate America against Germany."

The majority of Americans evidently will not through choice be restricted in this way, but through the consciousness that America is entirely unprepared and therefore not in a position to carry out a strong independent policy. With dazzling German successes at arms, the balancing part of public opinion here would presumably be shifted. Already partial successes, such as the taking of Antwerp, the deeds of the U-9, and the sea battles on the Chilian coast, made this penetratingly recognizable.

Whatever action has originated in Germany in order to win for us public opinion here, has either made none or an unfavorable impression. The belief which apparently spread very recently, that American received only one-sided and colored news about the conditions in Europe, has not for eight weeks been true. The fact that from German sides it is still being emphasized, that this is the case, has called forth numerous unwilling protests in the local papers.

In German press utterances and other means of news transmission, which should make an impression here, two subjects which must be strictly avoided are, namely, the "kultur," and secondly every criticism of the American sympathy. Those on the last subject with reference to the publications of the "Kölnischen Zeitung" have unquestionably done us harm here.

The greatest damage for us has been done by the English translations of the writings of Gen. V. Bernhardi which have been circulated here. In consequence of that Mr. Secretary of State Dr. Dernburg proposes to weaken the attacks based upon that, based upon the inconsiderate militarism of the German people, in that he will call attention to the fact that in the home papers the writings in question were severely criticised at their appearance.

To whatever degree the foreign office succeeds in influencing American public opinion, the daily "news letter" by wireless will be very effective. It is, however, necessary that for the news therein contained proofs (papers, etc.) should be sent here. It is not sufficient for the object of the propaganda over here to have in paraphrased form the announcement of important official documents in the "Nord Deutschen Allgemeinen Zeitung," such as in the question of

the breach of Belgian neutrality by England and Belgium as well as in the matter of the English-Russian fleet agreement.

Especially important documents, for instance, the material found in the papers, should be sent in photographic reproduction, as already is the case, to the Intelligence Bureau of the General Staff, and even then, if it has already not been made public in Germany.

It then describes the necessity for sending over the proper sort of pictures.

With reference to the handling of the American war correspondents in Germany, it is to be emphasized that as much as is possible should be done for them. Extended courtesies by the home authorities on this score is of the greatest importance to our cause.

As to the extent of the propaganda spread in America, our guide should be:

No policy, which has as its object, to engage America in any way, must avoid every appearance of mixing up in America's matters, but at the same time continue to demand "fair play."

This is interesting, particularly because of what they did at the war.

In detail the following is to be remarked:

The wishes of the American-Irish. The "McGuire group," have already been sent to Berlin through the general consul Kiliani.

There is quite a bit of information to be laid before you with respect to the activities of the so-called McGuire group, of which Mr. James K. McGuire, former mayor of Syracuse, was the main charge.

Senator NELSON. Do they belong to the Sinn Feiners?

Mr. BIELASKI. I think so, of course. Of course, I do not know definitely whether they do or not. They are leading agitators for independent Ireland, and for revolution in Ireland, and so on. [Continuing reading:]

Recently another group, the United States Irish Societies, approached the German Legation in Berlin. His Excellency has not up to this time seen their representatives. Of importance, in connection with the Irish question, is that the German Legation will suppress anti-Catholic utterances as much as possible, and on the contrary all pro-Catholic utterances should be minutely reported here.

So far as the German-Americans are concerned, they desire to assume a firmer tone, and His Excellency is of the opinion that in this they should not be hindered. It is to be regarded as justifiable when they say: We are Americans, let it, however, in memory of our forefathers, not happen that many is debased here.

Mr. Secretary of State thinks it necessary that still another famous German professor should be sent to America, and if possible Hermann Oucke from Heidelberg, or Dietrich Schafer in Hamburg, or Ernst Marx in Stuttgart.

So far as our relations to the very influential Jewish press are concerned, they are in good shape, and will be carefully nourished. It is important in this connection that all news pertaining to them shall elevate the Jewish people in respect—for instance the appointment of Jewish officers, the installation of honors conferred upon Jewish professors, should all be sent here.

With reference to the American press, it is to be remarked, that in the opinion here on vital questions cannot be influenced in any substantial way through the press, which was to be observed recently in connection with the local governor's election, at which Mr. Glynn suffered an overwhelming defeat, even though the New York press put forth an unusually strong propaganda in favor of his candidacy. In spite of all this the American press demands evidently the greatest attention and activity. What up to this time has been done by the German Legation in this relation embraces scarcely \$15,000—a small item compared to what the opponents spent in this way. State Secretary Dernburg has now decided to do substantially much more in this direction. Through direct bribery there is nothing to be done. But it is said that one can work on reporters (the so-called "ship reporters" who interview the new arrivals) and with the editors who edit the cable news and the "head lines." Furthermore there

be written, under our supervision, articles by American journalists whose names here carry a far-reaching influence—there have been suggested for this Alexander Harvey, Frank Harris and others—and printed in the press.

The Secretary of State thinks it advisable that he himself at least for the present time should limit his direct activity with the pen, for less occasional articles from him receive more attention than if he should publish constantly articles over his own name.

His Excellency has considered taking into the service the famous, clever journalist, McClure, as manager for an exhaustive press campaign which will cost about \$150,000 at the very least. It will probably result from this that shortly through agents, the attitude of the influential people in the individual large cities towards the German cause will be established, and then the pro-German element will be called upon to so work upon the individual anti-German organs of importance, that the papers will change their tone. Substantial voice of the masses can be trained against England through interviews with such American business men as are interested in neutral shipping.

To close, the Secretary of State, Dr. Dernburg, suggested to make known in a fitting and confidential manner, to the leading home papers, the following:

One must not imagine that we Germans here are courting the favor of America in an unworthy manner. We do so far less than our opponents. It is therefore of the greatest importance to us to try to win for the German cause the public opinion here. These efforts are, however, made difficult by the reason that the home press occasionally loses patience, and bringing down upon it the disfavor of America, and which will be used against us by the anti-German side. That the self reliance of America has through the general demand of Europe for their favor, been materially raised, is a natural thing, and if from out of this condition of affairs the American press can extract occasional tactlessness on the part of one or the other of the warring nations, it would seem wise under the circumstances to ignore such articles.

Mr. Secretary of State Dr. Dernburg called repeatedly on those present to express an opinion upon his statements. The remarks made by them, in so far as they were met with approval, are included in this memorandum.

As I said before, things under the management of Claussen did not go to the satisfaction of Dr. Dernburg; so that sometime before Thanksgiving in 1914 he approached Mr. William Bayard Hale and asked him to take charge of the work. Mr. William Bayard Hale had had considerable experience in newspaper and journalistic work, had interviewed the Kaiser in 1908, his wife was German-born, he had written a life of President Wilson, which had been used in the campaign, and he was sent as special agent for the President in Mexico. The Germans employed him not only to secure his services as a propagandist but in the hope that through him they might get some approach to the President, and Dernburg took up with Hale his desire personally to see the President, and Hale wrote the President and endeavored to arrange an interview with him for Dernburg, but the President declined to see him.

Hale, as head and adviser of the German information bureau from December, 1914, to December, 1915, received a salary of \$15,000 per year.

Senator NELSON. Hale?

Mr. BIELASKI. Hale, and in connection with this I want to read an interesting telegram which has been furnished us by the State Department and is presented with their permission, a telegram from Bernstorff through Buenos Aires and Stockholm to the German foreign office, June 2, 1916. [Reading:]

BIELASKI EXHIBIT No. 4.

In conformity with Your Excellency's wish I suggest that the present is a favorable time to get Hearst to send a first rate journalist to Berlin. The man selected, W. B. Hale, has been, as Your Excellency knows since the beginning

of the war a confidential agent of the Embassy, and as such he has been paid by contract until June 23, 1918. In making this arrangement the main thing was that Hale would be the most suitable man to start the reorganization of the news service after peace on the right lines. I request that full credit may be accorded to Hale, who will bring with him a letter of recommendation from me to Dr. Hamman. Hearst is not aware that Hale is our agent; he knows him only as a germanophile journalist who has contributed many articles to his papers.

Senator STERLING. This is a telegram?

Mr. BIELASKI. From Bernstorff to the German foreign office, which shows that Mr. Hale was the secret agent of the German Government from the outset of the war until June 23, 1918, in so far as his contract was concerned.

Senator NELSON. At \$15,000 a year?

Mr. BIELASKI. He received \$15,000 a year as salary from Dr. Hamman as adviser of the German information bureau. I think he got considerable other money besides. He admits the receipt of the \$15,000 per year in that particular capacity. He also received, I think, about \$300 a week from Hearst, and very liberal expense allowance when he went to Germany, as he did under circumstances we will tell you about a little later.

Senator KING. Where is Mr. Hale now?

Mr. BIELASKI. Mr. Hale is now in New York City. We have his address, on Riverside Drive.

Here is another telegram which bears on Hale, sent in the same way by Bernstorff on June 5, 1916 [reading]:

BIELASKI EXHIBIT No. 5.

As Hale tells me and Hearst confirms, the latter is rather hurt that Wiegands' account of the World gets all the important Berlin interviews. I recommend that under suitable circumstances Hale should for obvious reasons be given preference, as Hearst organs have during the course of war always placed themselves outspokenly on our side.

Another interesting minute of one of the meetings of this committee had just after the sinking of the *Lusitania*, was this which I will read the following extracts:

BIELASKI EXHIBIT No. 6.

Present: Messrs. Meyer-Gerhard, Albert, Hale, Meyer, Cronmeyer, Chatfield, Hecker, Vlereck and Fuehr.

Conference on May 24, 1915, 8.30 p. m.

Mr. Meyer-Gerhard discusses the general situation and shows that the German sentiment has grown essentially more calm, and that a change for the better is not to be expected before the arrival of the German note of answer.

Mr. Hale calls attention to the interview printed in the evening papers

zation in Baltimore purporting to be known as the League of American Women for Strict Neutrality.

Senator NELSON. Yes.

Mr. BIELASKI. It was a German-fathered organization managed by Hale.

Senator NELSON. There was a lot of it from Chicago, too.

Mr. BIELASKI. That is the American embargo conference. I continue reading from this:

All preparations are made for carrying through the project of poster advertising. The pamphlet entitled "Thou Shalt not Kill", written by Mr. Hale, has been printed and will be sent out. Signatures to a petition to Congress collected by the ladies now number 200,000 and will in time perhaps reach 600,000. The ladies have applied for assistance in their campaign to a number of persons named by Mr. Hale. It is suggested that it be put up to the ladies to address the petition to the President and Congress, and not wait until the collection of signatures is complete before sending it to Washington, but send them, at once, in batches of about 10,000.

Mr. Fuehr submits a copy of the Delai book prepared in the Press Bureau, which Mr. Claussen will endeavor to have reproduced in the press.

Concerning the book "War and Kultur" by the Swede, Prof. Steffen, Dr. Strauss has submitted a proposition according to which the costs are considerably less. It is resolved to forego entirely the publication of the work, which because of the events of the day and the new Burgess book has been placed very much in the background.

Senator STERLING. That is Prof. Burgess?

Mr. BIELASKI. Yes. I continue reading from this:

Mr. Claussen proposes to have a film prepared for propaganda against the exportation of arms, which shall exhibit the manufacture of American shrapnel munition and afterward show in drastic style the results of the use of this munition. It is suggested to him to report at the next conference the approximate cost of such a film.

Mr. Hale reports that Mrs. Hale is busy upon propaganda against the exportation of horses. Mr. Claussen undertakes to have a correspondingly touching scenario (story of former fire-brigade mare slaughtered in Flanders) written.

Mr. Cronmeyer reports that Mr. F. Harris had suffered a loss of about \$900. in his lecture tour, and recommends that he be reimbursed for at least part of it. In consideration of the excellent book written by him, it is resolved that he shall receive \$300.

Mr. Claussen states that a newspaper in Providence has made proposals for an eventual sale. He is commissioned to make a report upon this matter.

The Mr. Harris who is referred to there was the editor of Pearson's Magazine.

The minutes were prepared by Dr. Fuehr.

Senator OVERMAN. Do you say that Harris is now editor of Pearson's Magazine?

Mr. BIELASKI. I do not know whether he is now or not. I suppose he probably still is. He was until recently, in any event.

Senator KING. If the magazine is still in existence.

Mr. BIELASKI. It had considerable difficulty with the Post Office Department, under the espionage act, in getting through the mails.

Senator KING. Where was that conference held?

Mr. BIELASKI. I do not know whether it shows that or not.

Senator KING. At Mr. Albert's, or the German Embassy?

Mr. BIELASKI. The fact that it was held at 8.30 at night makes it very likely, I think, that it was held at Albert's rooms, but it does not say definitely. The conferences were held in the press bureau and at other places. Dr. Fuehr's notebook for 1916 recites a number of times when the conferences were held in the press bureau.

This bureau, which Hale presided over as adviser, got in addition to this daily sheet for the newspapers, a great many pamphlets, and also maintained a special service for the known as the Irish Press and News Service. Dr. Fuehr, who was the managing financier of the organization, also maintained an extensive press-clipping outfit. He was a very highly educated man, and apparently one of the most intelligent of the outfit. He made to Germany periodically a report of the press situation in the United States, of which we have a number of copies, and with which I think, the committee has been furnished. I will read you extracts from the more interesting part, his comment on the American press, in which he takes up the individual papers and their positions. His files of subject matters which he had made use of in sending out things contain 3,906 different topics, and of these which he had prepared he had made use of, by giving to the press through Claussen's sheet or otherwise, 1,430 items. He kept there copies of the various books that they had for distribution. He also kept a complete file of the material sent out by the Irish Press and News Service. The Irish Press and News Service offices were at 42 Forty-second Street. All of the German offices which were open in New York cooperated in this propaganda work. Von Papen, who was the military attaché, and who was in Mexico at the time the war broke out, returned to New York and opened offices, more or less two or three times.

Senator OVERMAN. Of course, we know who Von Papen is. I would like to have a statement made for the record as to who he is.

Mr. BIELASKI. Von Papen was the military attaché of the German Embassy, accredited to this country, to Mexico, and possibly to one or two of the smaller countries in Central America. I am not sure. He helped, as did Boy-Ed, who was the naval attaché, in propaganda work, and Mr. Bernstorff, of course, was intimately concerned in all of it.

I have some files here from which I will read extracts showing Boy-Ed's activities, as distinguished from the other men, in a little time.

James K. McGuire, who organized this Irish Press and News Service for the Germans, was also the author of two books, "The King, the Kaiser, and Irish Freedom," in whose publication he was financially assisted by Dr. Albert's office, and he also was the author of "What Could Germany do for Ireland?" Both these books were circulated by the press bureau as propaganda books. He also made arrangements for the printing of these books in Austria and Germany.

McGuire is the owner of the following newspapers and publishing companies: The Syracuse Printing & Publishing Co.; the Western Thomes Publishing Co., New York; the National Catholic, New York; the Light, Albany; the Truth, Scranton; the Sun, Syracuse. He also furnished Irish news to a number of other Catholic papers.

He sent out through this news service bulletins two or three times a week to 18 or 20 papers in which he had been interested, and to the daily newspapers. The number of copies he sent out varied according to the importance of the subject matter. He would send out 50 or 60, sometimes, and sometimes two or three hundred. Copies of everything sent out were also sent to Dr. Fuehr.

Dr. Albert paid to Mr. McGuire in June, 1915, \$14,800, and other amounts were paid to him of which we have knowledge, and there may have been money that we have no knowledge of, which brings the total up to the neighborhood of \$22,000. These payments cover money for books which have been mentioned, for the operation of the press service, and as a part of this work he sent to Ireland one or two persons to gather information, and their expenses were also paid by the Germans.

Mr. McGuire was chairman of the executive committee of the Friends of Irish Freedom. He seems to have sincerely believed that Germany would win the war and that Ireland's hope lay in Germany, and so he cooperated with Germany's representatives here as best he could. He maintains that at the break in diplomatic relations he withdrew all his books from the market, prevented their further circulation, and has rendered patriotic service to this country ever since we went into the war.

Senator KING. What has been his attitude toward Great Britain, our ally, since we entered the war?

Mr. BIELASKI. I take it he has simply been silent on that. At least, he told me he had been. I do not suppose his real feelings have undergone any change, but he has so far as we know done nothing which might be classed as damaging to the cause of this country or its allies since we entered the war.

Senator KING. You stated that Mr. McGuire furnished material for articles for certain Catholic newspapers. Did the Catholic newspapers generally publish those, or just a few?

Mr. BIELASKI. He has been furnishing material for these papers before the war in Europe broke out. That was a part of his regular business. He continued to do it, only thereafter the work was paid for by the German Government, and much of his information being furnished him by Dr. Fuehr, and, of course, it was exceedingly pro-German.

I see here Prince Hatzfield, for the ambassador, wrote to Albert May, 1915, asking for his opinion as to the desirability of publishing the booklet known as Ireland and We. Dr. Albert returned the communication, stating that the booklet was discussed in the press conference, "and we came to the conclusion that it would not pay, since the McGuire book takes up the same subject in a substantially more effective way and in a form more suitable for American readers, and this book, by publication with our assistance, was distributed all over the United States." He, however, retains the other booklet for possible future use.

Senator NELSON. Are you now referring to a dispatch of Bernstorff's?

Mr. BIELASKI. No; this was a letter—the first one was from Prince Hatzfield, who was attached to the German embassy, one of the ranking members, and Dr. Albert's reply was addressed to the ambassador.

It also seems that they had up the desirability of circulating on quite a large scale McGuire's other book What Could Germany do for Ireland? Mr. McGuire was also active in helping Germans here in other ways somewhat.

Senator NELSON. In what way?

Mr. BIELASKI. Well, the boat *Gladstone*, which was believed to be bearing supplies for the German boats in the south Atlantic, was

held up a bit at Norfolk, and under date of December 18, 1916, McGuire wrote the following in a letter:

I have reason to believe our friends will have no trouble hereafter of like nature, at this port (Norfolk) etc.

This was addressed to Dr. Albert, I am satisfied. It does not say, however. [Continuing reading:]

There should be a special consul or agent stationed there.

Yours truly,

JAMES K. MCGUIRE

P. S.—The British have an alert and powerful man there.

Inclosed in that letter was a clipping showing that the collector, Mr. Hamilton, granted to the former *Gladstone*, whose name was changed to the *Marina Quezada*, a clearance. And inclosed with that was a card of the collector, Mr. Norman R. Hamilton. From my understanding that Mr. McGuire said that he had some relation or something of the sort at Norfolk who was connected with Hamilton, or something of that sort.

Mr. Albert, in discussing some other matters, also made a reference to McGuire helping him in labor matters. There was a very considerable propaganda among the labor element in this country, which I hope to take up in a short time. This reference to McGuire in this other work was very brief. It says:

One of these Irish gentlemen, McGuire, has written a very readable book during the war, whose circulation in the United States was furthered by ex-Governor Dernburg. Under the guise of pushing this book still further Mr. McGuire is now giving us assistance in suitable fashion in labor questions, to which, in agreement with the Ambassador and Mr. von Papen, am giving my attention.

Senator WOLCOTT. Whom are you quoting?

Mr. BIELASKI. Albert.

Senator WOLCOTT. And is that quotation from a letter of his to you?

Mr. BIELASKI. His memorandum. There are some further references in it which relate to other features of the Irish propaganda situation.

Senator STERLING. What is meant particularly by the "labor troubles," or do you cover that point later?

Mr. BIELASKI. I cover the activities of the Germans among the labor element. There were several. Their peace propaganda, their efforts to bring about strikes, and the efforts to induce German and Austro-Hungarians to withdraw from service in any factory engaged in the production of war materials.

Senator NELSON. You are going into that subject, are you?

Mr. BIELASKI. Yes; but I do not know to which particular labor trouble he refers in that communication.

Dr. Fuehr, as I said, submitted periodical reports to the Government concerning the American press. He submitted one entitled "The American press and the belligerents" at the beginning of 1916, under date of January 26, 1916.

On February 7, 1916, he reported on the views of the American press on the arrival at Newport News of the German prize ship *Albatross*.

On February 26, 1916, he reported on the German-American negotiations for the settlement of the *Lusitania* controversy, and the American press.

Again, under date of May, 1916, on the attitude of the American press toward Germany; also a report on England and the public opinion of the United States, June 13, 1916.

American press views on the naval battle of Skagerak, and the question of the attitude of the American press toward the belligerents in December, 1916.

In Dr. Fuehr's papers there appeared, in addition to his notebook, which contained a number of items of interest, a list which was headed "Important list of names," and which contains many names which are familiar to us as having been active in favor of Germany. I can read the list if you would like to hear them.

Senator NELSON. Yes; let us hear them.

Mr. BIELASKI. No. 1 is Prof. William R. Shepherd, Columbia University, New York City, about which we will have something more to say, I think.

Next, Prof. Hugo Muensterberg, Harvard University, Cambridge, Mass.

Prof. William M. Sloane, Columbia University, New York City.

Dr. Edmund von Mach, Cambridge, Mass., who was a very active propagandist, about whom we have got some information.

Dr. Arthur von Briesen, 25 Broad Street, New York City.

Prof. John W. Burgess, Newport, R. I.

Prof. Eugen Smith, Columbia University, New York City.

Prof. Herbert C. Sanborn, Vanderbilt University, Nashville, Tenn.

Prof. James G. McDonald, of the University of Indiana.

Prof. Ferdinand Schevill, University of Chicago.

Mr. E. C. Richardson, Princeton University.

Prof. Kuno Francke, Harvard University. Prof. Francke was Dr. Albert's uncle, and helped him quite a bit in the preparation of his articles for the press, but after our entrance into the war was likewise the author of some very patriotic articles.

Prof. George B. McClellan, Princeton University.

Prof. A. B. Faust, Cornell University.

Prof. Morris Jastrow, jr., University of Wisconsin.

Senator WOLCOTT. Do you know what Prof. Faust was professor of?

Mr. BIELASKI. I do not, no, sir; not offhand.

Dr. Walter M. S. McNeill, Richmond, Va.

Prof. David Starr Jordan, Berkeley, Cal.

Hon. Peter S. Grosscup, United States judge, Chicago, Ill.

Hon. Richard Bartholdt, St. Louis, Mo.

Prof. Bushnell Hart, Harvard University.

Dr. C. J. Hexamer, Philadelphia, Pa., president of the German-American Alliance.

Prof. William P. Trent.

Hon. Charles Nagel, St. Louis, Mo.

Mr. Oswald Garrison Villard, New York Evening Post.

Mr. William Randolph Hearst, New York American.

Mr. Bernard Ridder, New York Staats-Zeitung.

Mr. Edward A. Rumely, New York Evening Mail, and interested in many other forms of German propaganda.

Mr. Frederick F. Schrader, 1493 Broadway, New York City, one of the editors of Mr. Viereck's paper, and a man who served for a

time as Washington correspondent for Mr. Viereck, and the author of a number of pro-German pamphlets published by the bureau.

Mr. Frank Harris, New York City, the Pearson man.

Mr. Rob. I. Ford, the Freeman's Journal, New York City.

Rev. Father Thierney, American Catholic Weekly, New York City.

Mr. Max A. Hein, 230 Riverside Drive, New York City. Mr. Hein was a very active propagandist, and I think is Mr. Viereck's brother-in-law, or some way related to him.

George Sylvester Viereck, 1123 Broadway, New York City.

There was a supplemental list, but I do not think any of the names are especially important. They are not marked on the important list.

Senator NELSON. Are there any from Minnesota there?

Mr. BIELASKI. Minnesota seems to have escaped, Senator, as I can see.

Senator NELSON. I feel relieved. Have you got that supplemental list to which you referred?

Mr. BIELASKI. Yes.

Senator NELSON. Suppose you give it to the reporter to be put in the record.

Mr. BIELASKI. I will furnish you with a copy.

Senator NELSON. We want to know who these shining lights are.

Mr. BIELASKI. Would you care, at this time, to go into and examine certain samples of the books that were published by the press together with some information as to how they were gotten out and who got them out?

Senator NELSON. I would like to hear it. Would you not, Senator?

Senator OVERMAN. Yes; if it will not cumber the record very much.

Mr. BIELASKI. There is an immense number of books that they got out, and some of them are especially interesting in the way they were prepared, I think.

Senator NELSON. If you want to call our attention to any of these books, we would be glad to have you do so. Put your list of names in the record, here.

Senator OVERMAN. You have given a list of books, have you not, in going along? There were a good many books that you named.

Mr. BIELASKI. I have named just a few. I will give you a complete list, if you want it.

Senator OVERMAN. Suppose you put that in the record—all the books—and then call our special attention to any particular ones to which you wish to refer especially.

(See the list of books printed at page 1410 of this record.)

Senator KING. You mentioned, a moment ago, Mr. Bielaski, a supplementary list of names, did you not?

Mr. BIELASKI. Yes; I said I would furnish that list.

Senator NELSON. He has agreed to put that into the record, Senator.

Senator OVERMAN. Do you want the names read, Senator?

Senator KING. That is for the record, is it not?

Senator NELSON. Yes.

Mr. BIELASKI. Yes.

Senator KING. Then let it be handed to the reporter.

Senator OVERMAN. Why not read it?

Senator KING. Yes.

Mr. BIELASKI. The second list is not so important as the first, because, I think, it was simply a list of men to whom they wanted to mail their important data; and that is not headed, as the other is, "Important list of names."

Senator KING. Is there any claim, in any of the data which you have, that these men on this supplemental list were pro-German, or were they merely used for the purpose of disseminating literature, and, perhaps, innocently used?

Mr. BIELASKI. I think that this was a list of men to whom literature was sent, particularly. I do not think that it carries with it any idea that they were pro-German. Certain of the men on the list we know, from other information, were pro-German; but the fact that they are on this list does not, I think, mean anything at all.

Senator NELSON. Why put them in the record, then? It might do some man an injustice.

Senator KING. I was going to say that we do not want to do any one an injustice.

Mr. BIELASKI. I do not think this list should go in with the idea, at all, that it in any way reflects or implies pro-Germanism.

Senator OVERMAN. Then let us not put it in at all. Let me see it, please.

Senator WOLCOTT. How is the first list headed?

Mr. BIELASKI. "Important list of names." This list does contain the names, as I said, of practically all of the active pro-German people.

Senator NELSON. They were all active pro-Germans, those fellows?

Senator WOLCOTT. That is, you are referring to men who were active pro-Germans prior to our entrance into the war?

Mr. BIELASKI. Yes; and a few who were possibly active afterwards.

Senator WOLCOTT. Yes; and some—I recall particularly your reference to one man who, as you said, since our entrance into the war has written very strongly American, patriotic articles?

Mr. BIELASKI. Yes.

Senator WOLCOTT. So that that list really refers to a day prior to our entrance into the war?

Mr. BIELASKI. Yes. Dr. Fuehr, of course, returned with Count von Bernstorff after the severance of diplomatic relations, and his activities ended then.

I think possibly there is a very important incident connected with Dr. William Bayard Hale which I have not made any reference to.

Under date of April 22, 1915, Mr. William Bayard Hale wrote Dr. Albert as follows:

BIELASKI EXHIBIT No. 7.

DEAR DR. ALBERT: Here are the notes which I have prepared as suggestive of points that might be made in answer to Mr. Bryan's note of yesterday.

Because it was so much easier to write straight along in the "character," so to speak, of His Excellency, I have allowed my memorandum to take that form. I trust you will fully explain to him that I do not presume to believe that more than an occasional point here and there may be of use.

Yours sincerely,

WILLIAM BAYARD HALE.

Senator STERLING. What is the date of that, Mr. Bielaski?

Mr. BIELASKI. April 22, 1915.

And there is a postscript which says:

DEAR DR. ALBERT: I have well considered every word. I believe the document were promptly delivered and promptly published, the effect would be great.

That was an American citizen advising a diplomatic representative of the German Government as to points which should be in reply to a note of the American Secretary of State.

Senator OVERMAN. That refers to William Jennings Bryan was at that time Secretary of State?

Mr. BIELASKI. I think he was Secretary of State at that time. Yes. But he is not in any way concerned—

Senator WOLCOTT. I suppose that was in connection with the *Lusitania* notes?

Mr. BIELASKI. The *Lusitania* was sunk in May, 1915. That was before that time.

Senator OVERMAN. May 7.

Mr. BIELASKI. May 7, 1915.

He then prepared a form of note, of many pages, in which he puts up the German viewpoint. I can read it for you, if you wish.

Senator OVERMAN. Let it go into the record. Do not read it unless there is something special to which you wish to call our attention.

Mr. BIELASKI. I do not think there is anything special in this which I wish to call attention, but Mr. Albert thereafter went over this draft, and sent the draft back to Mr. Hale, and on May 27, 1915, Mr. Hale wrote Mr. Albert again:

The form and language of this document seems to me to be unexceptionable. I only regret that it is not possible to take a more advanced tone. I feel that the exchange of these gentle notes will lead to nothing.

Senator KING. To what notes, if you recall, of Secretary Bryan does the memorandum relate that was prepared by Dr. Hale?

Mr. BIELASKI. Possibly a reading of the draft will suggest the subject matter. He suggests:

BIELASKI EXHIBIT No. 8.

I have received, etc., etc.

Insofar as your Excellency's note requires the formal answer of the German Government it will be replied to as soon as it has been transmitted to Berlin and receive instructions from Berlin, a process which, by reason of the interference by Great Britain with oceanic cable communication, will be a matter of several weeks.

Pending these instructions, however, I feel it is incumbent upon me to answer at once to those particulars of your note which seem addressed to me personally, particularly lest the delay involved in awaiting formal instructions to my government on all points might by any possibility inure to the prejudice of that friendship between the people of Germany and the people of the United States which, as you suggest, "is so warm and of such long standing." I, the representative of the German Government, equally with yourself, feel under a special compulsion to speak with perfect frankness when any occasion arises which seems likely to create any misunderstanding, however slight or temporary, between those who represent the governments of the two countries.

That is quoted from the note.

Of your Excellency's kind reference to my "long experience in international affairs," I trust I have a fitting appreciation, coming as it does from one

services to his country in the sphere of international affairs, have been so conspicuous as have been yours. I should, however, repudiate all the teachings of an experience which you are pleased to describe as long, were I to accede to the suggestions that the relations of the two governments with one another should never be made a subject of discussion with a third government.

This is, apparently, a note in reply to the effort of the German Government to discuss our relations with Great Britain, which you will recall about that time.

He takes that up, and argues that position [reading:]

Whether or not the United States is minded to maintain its position as a sovereign power, possessing for its merchant marine the right to sail the open seas freely and without other interference than is allowed by the well understood and universally accepted principles of international law, is a question which indeed lies between the Government and the people of the United States and in which my Government assuredly has not the least intention nor desire to interfere.

It was evidently in answer to that note.

In the second part of your note, your Excellency declares that the Government of the United States:

"attempted to secure from the German and British Governments mutual concessions with regard to the measures those governments respectively adopted for the interruption of trade on the high seas."

Mr. Hale was the author of the pamphlet *Thou Shalt Not Kill*, which was circulated so largely throughout the United States, hundreds of thousands of copies, many sent by Mr. Hale directly from the Press Bureau, many sent by this league in Baltimore of women for strict neutrality, many sent by the American embargo conference, which was a German-engineered and financed organization.

Senator NELSON. In Chicago?

Mr. BIELASKI. In Chicago; yes, sir. It was the organization that sent all those telegrams, and so on.

Continuing on Mr. Hale's activities, it might be interesting to note that immediately following the address of the President before Congress in January, 1918, William Bayard Hale wrote a special article on the question as to whether this occasion brought peace nearer, in which the following paragraph appears:

In particular the very fact that the head of the nation dominant in the Western Hemisphere should assume to lay down in detail political arrangements for the empires, kingdoms and principalities of the other hemisphere seemed to promise little toward the early reconciliation of the warring world.

And he later says, in the same article, which was presumably written from Washington by Mr. Hale:

It was freely said here tonight that neither the Central Powers nor the Entente would take quite seriously the President's assertion that "for such arrangements and covenants we are willing to fight and continue to fight until they are achieved."

That was published in the *New York American*, and shows his attitude as late as January, 1918.

Mr. William Bayard Hale, after the termination of his trip with the German information service, was, as indicated by the telegrams I read, sent abroad by Mr. Heart.

Senator OVERMAN. Who is Mr. Hale? Tell us something about him.

Mr. BIELASKI. I did give you some information about him; he was a journalist, a newspaper man.

Senator WOLCOTT. With a German wife?

Mr. BIELASKI. With a German wife; he was quite prominent in the newspaper world, and worked for the Philadelphia paper. He was the special agent to Mexico with Ex-Gov. Lind, of Minnesota, in the Mexican matter.

Senator OVERMAN. Is he of German extraction?

Mr. BIELASKI. His wife is German.

Senator OVERMAN. Yes; I know you said that; but is he of German extraction?

Mr. BIELASKI. I do not think he is.

Senator NELSON. Was he with Gov. Lind in an official capacity?

Mr. BIELASKI. Yes; he was special agent; and the fact that he was supposed to have some prominence here and some acquaintance with officials, and so forth, made him, from the German standpoint, very desirable. They were always proceeding on the assumption that they could get hold of somebody who could get inside, they could do something. But I think it is a wonderful record that, so far as information goes, no American official was ever seduced or led in any way by any of their activities, if we except only those gentlemen—Congressman Buchanan, who got mixed up with Mr. Rintelen, the German agent's activities under the guise of the National Peace Council.

When Mr. Hale went abroad——

Senator NELSON. He went abroad as the representative of the Hearst papers?

Mr. BIELASKI. Yes.

Senator OVERMAN. In what year was that?

Mr. BIELASKI. It was in 1915. We shall have something more to say, I think, about the Hearst papers and the relations of Hearst and Hale with the German officials.

On May 26 Dr. Fuehr records in his diary:

Noon. Call from Hale, who stated that Hearst proposes to send him as representative to Germany.

And, on the next day, May 27:

Visit to Hale, whose mission to Germany for Hearst is now a matter of course.

May 31. Departure of Hale to Germany as representative of the Hearst paper. In the morning I introduced him to Count Bernstorff, and had a conference.

There are some other things about Hale of possible interest that I took with him, when he sailed, a man named Louis D. Edwards, whom Edwards knew, before he left New York, that Hale was working for Hearst, and that he was working for Hearst, too; but he did not know that Hale was under contract with the German Government.

They sailed together, and were together except for a short trip. Hale made his way down through Roumania, about the time that we entered the war, I think.

Senator OVERMAN. Was there any evidence that Hearst knew that he was under contract with the German Government?

Mr. BIELASKI. No; on the contrary, Bernstorff, as I have said, told me that Hearst did not know that fact.

Mr. Edwards testified that when they were approaching Kirkwall Mr. Hale tried to get him to learn a code message by heart, which was to be delivered to the foreign office in Berlin.

Mr. Edwards testified to us that he refused to do so, because it was meaningless to him, and he had in mind what had happened to Mr. Archibald. He stated he did not believe that the particular code message was harmful to the United States, but had to do with propaganda work in connection with the press in the United States.

Edwards also testified that Hale told him that he was a paid worker for German propaganda; that Hale received several code messages from the foreign office in Berlin, the nature of which he did not know, except that they were in the usual five-figure code, to be translated through the use of a dictionary; that is, part of the figures referred to the page, and the other figures referred to the number down of the word. Mr. Edwards stated that passes which they obtained in Germany had, I think, the question: "What German firm do you represent?" And they were filled in to read: "Foreign office, Berlin."

Edwards had some disagreements with Hale, and Hale explained to me, back in the fall of 1917—which I give to you for whatever it is worth—that this code he talked over with Edwards was really a code he wanted Edwards to use in communicating his health and safety and so forth to his wife, should he be arrested and imprisoned by the British when he was taken to Kirkwall.

Senator NELSON. Let me ask you this: Edwards accompanied Hale to Germany?

Mr. BIELASKI. Yes.

Senator NELSON. On this trip?

Mr. BIELASKI. Yes.

Senator NELSON. And on this trip he got information that Hale was working in the interest of Germany.

Mr. BIELASKI. Yes.

Senator NELSON. And Edwards was a representative, also, of the New York American—of the Hearst papers?

Mr. BIELASKI. Yes, sir.

Senator NELSON. Is there anything in the papers that indicates that Edwards gave any information about that matter to Hearst?

Mr. BIELASKI. Not that I know of. I do not know what he did with respect to Hearst. He gave us information, when we approached him about it, some time after we entered the war. At that time, of course, this was a neutral country.

Maj. HUMES. You referred to the trip into Roumania. At whose expense did Hale make that trip into Roumania?

Mr. BIELASKI. We understood that was made at the expense of the German foreign office, but we have no conclusive proof of that, of course; it was a happening in Germany; but we understood he went down there on behalf of the German foreign office, to prevent Roumania going into the war. A man named Wunnenberg, who was convicted with Sanders of sending German spies from this country to England, and who was intimately mixed up in some German activities in this country, testified that one of the objects of Hale's going to Germany was to arrange for the transmission in his press dispatches of code dispatches intended for German officials.

I think if the committee has no objection I will give you one illustration of the manner in which propaganda are circulated in the form of books.

Maj. HUMES. Before we get away from that Hale matter, will you state whether or not Hale afterwards sent for his wife to come to Germany?

Mr. BIELASKI. Oh, yes. He sent—I think it is in the file—a telegram, showing that he did send for his wife and children and servants, all at very large expense. And when in Berlin he occupied a bridal suite of one of the leading hotels, at very great expense. My own guess would be that if Hearst paid for those expenses they were paid for twice, because it was generally understood that the German Government paid for part of his expenses while he was in Berlin.

Maj. HUMES. And in wiring his wife to join him in Germany he told her to travel in luxury without regard to expense?

Mr. BIELASKI. Yes. *Economic Aspects of the War*, by John Clapp, professor of economics of the New York University, is a long discussion of the subject from the German standpoint. In the preface he says:

This book was written because it seemed to me that we Americans were paying too much attention to the affairs of belligerents, and too little to our own. After all, we are by no means untouched by the war. It imperils not only our present material interests but also neutral rights upon which the interests of all peaceful nations in the end depend. The neutral world is watching for us to realize and to assert its rights and our own. Here is a statement of what those rights are, and this record of what seems to have occurred to threaten them.

In this book he suggests an embargo on the exportation of munitions for the purpose of enforcing our right to trade unhindered with the belligerent and the neutral nations of Europe.

This book was printed by the Yale University Press; of course it kept secret its real source, and without any knowledge on the part of the printers that it was paid for and financed by the German Government.

The circumstances under which the book was printed appear to have been these, that Clapp was asked by Sickel, I think it was one of the directors of the Hamburg-American Line, to meet at dinner with Dr. Albert, at dinner, after Clapp had delivered an address at the university expressing quite the sentiments that he afterward embodied in his book. He there met at dinner Sickel, Dr. Albert, and a young man named H. A. Boaz, who was an assistant of Sickel's and an employee of the Hamburg-American Line and was involved in other forms of propaganda. He managed, for instance, a tour through the United States of Miss Ray Beveridge on behalf of the Germans.

At this dinner Prof. Clapp claims that Dr. Albert was introduced to him as an officer of the Hamburg-American Line; and then he prevailed upon him to go to work writing this book, asking him to draw from some of his other labors and to devote his time to it. He did so, and was furnished, from time to time, funds.

I see March, 1915, Mr. Albert's office paid, through W. G. ... \$500 to Edwin J. Clapp.

He was paid in that manner from time to time sums of money aggregating \$3,750.

Senator NELSON. Did Clapp know that it was German money that he got?

Mr. BIELASKI. He knew that it was German money, at least, before his book was published; but I do not know that he did at the outset. He claims to have thought that it was a Hamburg-American Line affair; though, of course, the Hamburg-American Line is practically the German Government in shipping matters.

From time to time he was paid this money, and in August, 1915, he was paid \$11,500 to cover the cost of the book and the printing of 7,500 copies at \$1 a copy, and \$4,000 which he states was to be used in advertising.

He states that about all he got out of it was expenses, but that he anticipated very large profits from the sale of the book. But the book did not sell.

Clapp had studied in Germany. He was also interested in a plan to test the British blockade. He came down here to Washington with the idea of getting up a shipment from this country which would be on all-fours with shipments from some of the Scandinavian countries which were permitted to go through. I think he selected lumber as a shipment, and he wanted to make a test to get this country in trouble with Great Britain; by getting this boat over, to see whether Great Britain would enforce the embargo against it.

I do not think that ever went through, although he devoted quite some time to it.

His later history, in so far as we were interested in him as a propagandist, was this, that after writing the book he began to write editorials for Mr. Rumely, for the Evening Mail. For a time he was paid space rates, and then he was taken on and paid a regular weekly salary for writing the editorials for the Mail, after the German Government, through Mr. Rumely, had purchased it.

He also got out a syndicated series of six articles for German propaganda through Rumely, which he was paid for, which was largely made up of extracts from his book.

Maj. HUMES. May I just interrupt with reference to the Hale matter, for a moment. You did not fix the time of his return to this country from Germany.

Mr. BIELASKI. I do not know that I know the exact date, off-hand, without looking up the records.

Maj. HUMES. When, with reference to the entry of the United States into the war?

Mr. BIELASKI. It was after it, as I recall it.

Maj. HUMES. He stayed there until after——

Mr. BIELASKI. He stayed there as long as he could.

Maj. HUMES. Until after the declaration of war by the United States?

Mr. BIELASKI. Yes. Dr. Dernburg and his propaganda bureau got out books called "The Catechism of Baalam, Junior," and "A Trip Through Headline Land" which was gotten out anonymously. They were, however, written by an Irish-American propagandist, and financed by this bureau of Fuehr and Albert.

The first record we have of him shows this; a letter of October 1914, addressed to Count von Bernstorff by George Sylvester Viereck in which he says:

I trust I am not trespassing upon your kindness if I introduce to you Shaemus O'Sheel, a brilliant young Irish poet, in sympathy with our cause who would like to say a word to you on some things that are near his heart.

O'Sheel was an employee of the Senate, here, in some capacity some time.

Senator NELSON. In the employ of whom?

Mr. BIELASKI. In the employ of the United States Senate.

He also had a letter from Mr. George Barthelme, one of the German propagandists brought to this country by the Germans. I do not think it is necessary to read this, but it is a highly commendable letter, written by Barthelme about him.

Senator OVERMAN. About O'Sheel?

Mr. BIELASKI. Yes, sir; about O'Sheel. There is a lot of the sort of thing, later on. Here is the sort of thing he was distributed. He distributed, in addition to his books, circulars of loyalty of pro-Germans. This is a short one [reading]:

BIELASKI EXHIBIT No. 9.

Germany is not averse to war with us. In such event, German U-boats will be free to sink everything in sight.

The military advantages would be all with Germany.

The Allies are not ignorant of this. They know the debacle is coming. I wish us in the war so that they can shift their indebtedness onto us, and something left to set up shop with after the crash.

Advantage to Germany, injury to America, would be the result of our participation in the war.

Senator OVERMAN. What is the date of that?

Mr. BIELASKI. That particular one is not dated.

Senator OVERMAN. Do you know whether he was an employee of the Senate at that time?

Mr. BIELASKI. I think that he was discharged just about that time or before that time. His name, by the way, was James Shields. He changed it to Shaemus O'Sheel to get, as he thought, the Irish equivalent.

This was published under the name of Mr. Hugh H. Masters who is now an inspector in the employ of the city of New York.

Here is a letter dated January 9, 1918, to Dr. Albert, signed "G.S.," written by George Sylvester Viereck on the letterhead "The Fatherland" [reading]:

BIELASKI EXHIBIT No. 10.

I have received this letter from our friend Shaemus O'Sheel which speaks for itself.

Shall I send him a check for \$15? I have already sent him \$10. Shall I send the money I lay out for him from the press fund or do you prefer to place a separate little fund at my disposal for Shaemus O'Sheel and matters which you wish to take up in connection with this pamphlet?

Here is a letter written by Shaemus himself, on the letterhead of the United States Senate, office of the Secretary. I do not think that is at all material.

Senator OVERMAN. It shows how much we were fooled by him. We did not know what he was when we were transacting business with him. He was here with Senator O'Gorman's force, I believe.

Mr. BIELASKI. This letter reads:

BIELASKI EXHIBIT No. 11.

I have just read of your victory. Great! Your courage deserves an Iron Cross. And the result was typical of what will always happen when an American audience has a fair chance to puncture a British bluff.

I too have had success. After a good deal of perplexity as to the proper mode of attack, I have struck a speed that means a much better pamphlet than Baalam, Jr. It should be completed by Tuesday in your hands by Wednesday, or if retyping takes long, by Thursday. Preparatory to receiving it, I wish you and Mr. A. (to whom please communicate this) to consider a couple of points about it.

I assume "Mr. A." was Dr. Albert.

The idea, as I understood it, was to produce a catechistic satire chiefly of certain foibles of the American press and certain absurdities (and enormities) of spurious neutrality; all in a rather gentle vein and in simple language. It was not to attempt to deal at large with leading issues of the War which have been dealt with so splendidly in recent pamphlets. The ms. you will receive is confined to the stated objects, but you, and Mr. A. especially, may think at first that it has departed too much from the second and third conditions. As a matter of fact, I am proud of the style of it, and if it might be above the heads of some it will be within the reach of all fairly well educated readers and will impress them the more powerfully because of its style. That, I am sure, will be acceptable to you and Mr. A. There is really no venom in it, either, so I trust that if it seems a bit stronger in places than was contemplated, you will concede that some judgment must be left to an author.

Then he says:

One thing more. By Saturday I can have all those clippings that we design for a really neutral pamphlet copied. I think you will not judge me avaricious or inclined to impose on you if I suggest that I would be glad of the opportunity to have one more talk with you and Mr. A. on three matters.

1. The pamphlet now being completed.
2. The newspaper-clipping pamphlet, which I think very important.
3. The political aspects of neutrality and certain easy and vastly effective things that can be done in that line.

The pre-requisites for such a visit by me are: A definite appointment for a joint conversation with you and Mr. A. on Sunday January 24th; or definite appointments for separate conversations with you and with him; and a cheque for \$15.00 by Saturday. Do not write me here but at 714 19th St. N. W.

Yours as ever

S. O. S.

[Laughter.]

I do not know whether he knew the significance of "S. O. S." at that time, or not. Here is a letter from Albert to Viereck on January 23, 1915. This reads as follows:

BIELASKI EXHIBIT No. 12.

Regarding our conversation of today, I send you enclosed a check for \$100. I may beg you to use this sum for payments to Mr. O'Sheel and to give me a statement after payment. The level of the single expenditures I would leave to your discretion. For the interview, I will be at liberty during the next week. You will have the friendliness to arrange with me for an appointment.

On February 15 Viereck transmits to Albert a letter that he has received from O'Sheel. This is largely about his pamphlet, "A Trip Through Headline Land," and he signs it "Very truly, yours, John Doe, author of A Trip Through Headline Land."

Here is one signed "S. O. S.," to "Dear Sylvester" [reading]

BIELASKI EXHIBIT No. 13.

Your letter and enclosures received. Thanks for liberal subscription to book of poems.

As you say, or indicate, the mss. needs

Shortening, sharpening, supplementing.

You will have it again much improved in a week or less.

There is some further correspondence between Albert and Viereck as to the payments to be made to Shaemus O'Sheel.

Here is a sample of "The Catechism of Baalaam, Junior, by an Irish-American" [handing printed pamphlet to the chairman].

He also was the author of a little scenario, which Viereck thought was excellent, but I do not know what became of it.

Mr. Shaemus O'Sheel, in a statement made to a Department of Justice agent on June 18, 1918, said:

I have never had any relations with the agents of any foreign power received any fee, reward, gift, or other consideration from any agent of foreign government, nor have I ever rendered any service to any agent of foreign country. I met the Count Von Bernstorff on one occasion only, purely formal and very public way, at a charitable bazaar, understood to be for a German charity fund at a hall on 9th or 7th Street, in Washington. I was simply introduced to the German Ambassador as one of a line of people who have never since seen him, communicated with him, nor received any communications from him. I have never, to my knowledge, met any other official employee of the German Embassy nor of the Austrian Embassy.

Which entitles him, I think, to be called a German citizen.

Frank Harris, as I have mentioned before, was the author of "England or Germany." It was declared nonmailable under the espionage act, and was one of the articles circulated by the Federal Bureau.

Among the pamphlets and books which this bureau got out were the following:

What Germany Wants, by Edmund von Mach.

Hindenburg's March into London, by L. G. Redmond-Howard, author of Life of John Redmond.

Central Europe, by Frederick Nauman, of the German Reichstag.

Peace and America, by Hugo Muensterberg, professor at Harvard University.

Secrets of German Progress, by Frank Koester, one of Viereck's regular contributors to Viereck's Weekly.

How Diplomats Make War, by Francis Nielson.

Zeppeline over England, with a foreword by Bernhard H. Ridder, of the New York Staats-Zeitung.

The Making of Modern Germany, by Ferdinand Schevill.

The Lusitania Case, collected and published by C. L. Droste.

The Vampire of the Continent, by Count E. zu Reventlow, translated from the German, issued by the Jackson Press.

- The *Emden*, by von Mucke.
 Germany of To-day, by George Stuart Fullerton, of Columbia University.
 Whose Sin is the World War, issued by the New Era Publishing Co., translated from the Hungarian by Count Julius Andrassy.
 The Neutral Portion, by Elwin Lorraine, issued by the Jackson Press.
 Der Kreig i, Alpenrdt, by Karl Hans Strobl.
 Behind the Scenes of Warring Germany, by Edward Lyell Fox, published by MacBride, Nast & Co.
 Carlyle and the War, by Marshall Kelly, published by Jean Wick.
 Germany and England, by von Bernhardt, published by Dillingham.
 America's Relations to the Great War, by John William Burgess, formerly professor at Columbia University.
 Gertrude and I, by Adele Lewisohn, published by the International Monthly.
 German Achievements in America, by Rudeolph Cronau, one of Viereck's writers.
 Justice in War Time, by Bertrand Russell, Open Court Publishing Co.
 War Diary of an American Woman, by Jouett Jeffries, published by The Fatherland Corporation.
 Der Russiche Niederbruch, by Ludwig Ganghofer, in two volumes.
 Als U-Boats Kommandant Gegen England, by Forstner.
 The Americans, by Hugo Muensterberg.
 The War for a World, by Israel Zangwill.
 The Trip of the *Deutschland*, by Paul Koenig.
 American Patriotism, by Hugo Muensterberg.
 Die Schlacht am Staggerrat, by Admiral von Scheer, published in Berlin by Ullstein & Co., issued by the Ullstein War Book Co., 1482 Broadway, New York.
 To Siberia with a Hundred Thousand Germans, Fourth Month of the Russian Campaign, by Kurt Aram, published by Ullstein & Co., Berlin; reprinted by the Ullstein War Book Co., 1482 Broadway, New York.
 Der Fremdenleigionar, by Maximilian Kirsch, Arnan History of the War, 1914-1915.

They also circulated in this country a number of books which were official publications of the foreign office of Austro-Hungary and Germany—the German White Book and the Austro-Hungarian Red Book—which were not, of course, secret, and a large number of other pamphlets which, I think, must have listed over 50, at least. They also got out a pamphlet called “Shanghaied into the European War,” and others. These were gotten out under the head of the American Truth Society, which was assisted financially by the Germans. and about 80 per cent of its membership were Germans or with German names, and a good many of the others were Irish. Mr. Jeremiah O'Leary was the president of it. Its man Wallace was financially assisted by the German consul at New Orleans, and afterwards, when we got into the war, he continued to circulate this book and was convicted out in Iowa, I think, and sentenced to 20 years in the penitentiary, and has since died in jail.

Mr. Fuehr was himself the author of a book called “The Neutrality of Belgium,” which was circulated as propaganda. It makes three claims: That Belgium was not neutral territory when the German Army invaded it; that according to the laws of nations the treaty declaring Belgium's neutrality has been void for many years, and has been considered so by Great Britain prior to the war; and third, that even if the treaty had been in force international law fully permitted Germany to invade Belgium under the particular circumstances. That was the sort of stuff that Fuehr was writing and circulating. The Origin of the War, the Vampire of the Continent, the Tragedy of Belgium, etc., were all written and circulated by this bureau. I could give you a great deal more information about their pamphlets if you wanted it, but I do not think you do. “England or Germany,” was written by Frank Harris, as I have said.

They circulated also pamphlets intended to disturb the relations between England with India. They circulated the pamphlet by Mr. Charles Nagel to stop traffic in arms and munitions. That was circulated under the name of the American Independence Union.

Maj. HUMES. You referred to the pamphlet, "Traffic in Arms and Ammunition," by Hon. Charles Nagel. Is that the article that appeared in the Fatherland, taken from the American Leader, published by Hammerling [handing paper to the witness].

Mr. BIELASKI. I think it is.

Maj. HUMES. That is the same article?

Mr. BIELASKI. That is the same article.

Senator OVERMAN. That is the same article you brought out in your examination of Hammerling?

Maj. HUMES. Yes.

Mr. BIELASKI. Here is a copy of the same article. I think if you will compare it, you will find it the same [handing paper to Maj. Humes].

(The copy of the article referred to is here printed in full in the record as follows:)

BIELASKI EXHIBIT No. 12.

[American Independence Union, 287-289 Fourth Avenue, New York. Honorary President, Herman Ridder. Vice President, Dr. Thomas C. Hall. Treasurer, James G. ...]

MAY 8TH, 1915

To Every American:

Every national interest is sacrificed by our wholesale exportation of arms and ammunition. We are creating a huge vested interest in a non-productive and expensive industry. We will be plagued by a lobby and corruption without end to get us to buy their products. We are endangering hate in the hearts of millions of our best customers and our own citizens. We are laying up against ourselves the charge of hypocrisy every time we try to utter a word for peace. We are taking a cowardly part in a war on those who did us no hurt. We are converting Europe's agony into our dirty dollars. God will judge us and that right of judgment is ours.

THOMAS C. HALL
Vice-President

We present herewith the strongest statement, both from the point of view of abstract law and from the point of view of humanity, on the shipment of implements of murder to Europe, that has been published so far in this country. This remarkable document is from the pen of Hon. Charles Nagel, Secretary of Commerce and Labor in the Cabinet of Pres. William Howard Taft. We are indebted for this article to the courtesy of the "American Leader."

TRAFFIC IN ARMS AND AMMUNITION.

[By Hon. Charles Nagel, Ex-Secretary of Commerce and Labor.]

Those who indulge the belief that public interest in the sale of arms and ammunition has subsided because the Hitchcock bill died with the adjournment of Congress are doomed to disappointment. Ambitious statesmen were glad to find a politician's escape in the convenient declaration that it would be unneutral to refuse to sell arms to belligerents may see this unhappy phrase come back to plague both its authors and sponsors. To the minds of those who upon grounds of morality and decency are opposed to this trade the excuse offered for not placing an embargo upon these sales was an insult to injury. It was not regarded as an honest excuse; but as the indication of men who wanted either to evade the issue or to find a way to favor belligerents, or both.

It is, of course, accepted that the rules of international law do not forbid such sales. The rights of the German and Austrian Governments are involved at all.

Germany does not even protest our right to sell arms and ammunition; although she has expressed her surprise at our enormous sales of ammunition to the Allies and our failure at the same time to insist upon our undoubted right to deliver foodstuffs to the civilians of Germany and Austria-Hungary. The question, however, is essentially one of our own self-respect. What precedents have we in our own history to guide us?

During our late difficulties with Mexico our Government prevented a German merchantman from delivering arms and ammunition to one of the Mexican factions. The German ship was clearly within her rights; but she yielded to our desire. What was the foundation for our action? Plainly that our Government did not sympathize with the particular consignee. We objected to the giving of aid to Huerta from any source. We exercised a preference between two belligerent factions even to the extent of interfering with the rights of another power. By the same rule we cannot now insist upon the right to sell arms to the Allies, and at the same time escape the suspicion before the world and before our own people that we are exercising a preference in favor of one and against another friendly power.

We have gone farther. Congress adopted a resolution which gave the President the authority to place an embargo upon the shipment of arms and ammunition from this country to any other country upon this continent engaged in internal strife. That authority was used. The shipment of arms was prohibited, until the Government in its desire to aid a favored faction in Mexico lifted the embargo in its behalf. Again we used the privilege to sell or not to sell by preference. We not only established the rule that we may forbid the traffic in arms and ammunition, but we went farther and established the principle that we may and will use our power to encourage or to discourage particular belligerents. The circumstance that the resolution of Congress was restricted to this continent is not controlling. This continent embraces many nations; but with not one of them is our relation, politically, commercially or humanly speaking, as close as it is with at least four of the great nations now engaged in war. Neither are our obligations nor interests under the Monroe Doctrine controlling. If interest shall determine, Heaven knows that is intense enough in the case before us, measured by whatever human consideration we may select. Furthermore, the international haziness of the Monroe Doctrine has been so completely demonstrated by our Government that no sincere observer would now be willing to look to that doctrine for foundation of right or for explanation of conduct. In establishing and in lifting our embargo on the shipment of arms we have played favorites; in compelling Germany to yield to our decision we have done the same. Morally speaking, we cannot escape the conviction before our own people that behind high-sounding phrases of neutrality we are now engaged in the same partisan business. We have stopped the traffic when we wanted to. We could stop it now; but we do not want to. We sell when we want to help; and we refuse when we do not. For this conduct we are not responsible to other countries; but we cannot escape a responsibility to ourselves.

There, are, however, other considerations to be weighed. We have complacently justified the traffic in ammunition upon the ground that it is not inhibited by International Law. So much is true. But it is not true, as is assumed with equal complacency, that therefore this traffic is honorable or even, broadly speaking, justified. Lame and impotent as International Law in the absence of a strong neutral power undoubtedly is, that law has advanced far enough in the realm of ethics to denounce this particular traffic. The rule does not permit a government to sell arms to a belligerent. It simply permits a private citizen to take the risk. But so complete is the denial of perfection to this traffic that ammunition and arms so sold are subject to confiscation and destruction at the hands of a belligerent. And to leave no room for doubt as to the status of the traffic ship, the ship carrying such ammunition and arms, although that ship be owned by citizens of a neutral power, is subject to confiscation, and in case of necessity may be sunk.

To say that it is unneutral to prohibit the pursuit of a business which has been so characterized by the Law of Nations is astounding. It suggests a befogged state of mind or morals. The wish is father to the thought. Does anybody believe that such an argument would have been advanced or would have prevailed if Japan had sought to buy arms from us in case she had been engaged in war with England? Would we not then have found a way to declare that a highly civilized nation—the bearer of the world's peace mandate—could not permit her citizens to profit by furnishing instruments of destruction against her own kinsmen?

Was it unneutral when Germany during our war with Spain at our expense overhauled and searched a Spanish ship for a cargo of arms destined for Cuba and to be used against us; or did we accept her conduct as one of those things of fair consideration which one friendly power may in perfect good faith extend to another?

These citizens who are engaged in this business now are protected by the law—particularly if they get the cash on this side; as they will so long as they can induce our banks to advance it for this purpose. But let them not indulge the notion that their business is promoting our country's international standing. They are not precisely like other distinguished business men in the past have ascertained how close they might brush the prison walls without actually getting inside of them. But neither are they to be accepted as the proprietors of a wholesale foreign commerce upon which we may rely with confidence or with satisfaction for the future.

There are other considerations still to be dealt with—considerations whose echoes are apt to be heard in this country for generations to come. The citizenship of this nation is closely related to the belligerents on the other side. With many, that relationship is recent and correspondingly intimate. Actions of that kind no government can or should disregard. During our Civil War, Great Britain was several times on the point of turning against us. It is little doubt but that for John Bright she would have done it. Her Government was against us. Her people were for us because they held slavery in abhorrence. One of the powerful arguments used by Bright to the people—particularly to the laboring classes—was that within a brief period hundreds and thousands of persons had migrated from England to our country and that slavery war as Great Britain's Government contemplated would be like making a war upon her own people. We may argue about the theory of citizenship as we will, but Bright sounded a true note which was heeded and which cannot be disregarded by us to-day.

Say of the people who protest what you will, they may at least say of themselves that for half a century not one momentous public question has been submitted in this country which could have been decided rightly without their support. And we may say of them that if they had the decision to-day, international precedents would not be lost for want of better support than paper tests; rights would not be forfeited; the Stars and Stripes would be respected the world over; all neutral nations would be joined under our leadership to sustain the standards of International Law, and to impress upon savages the dictates of advanced humanity; and our part in the greatest war of the world would not be confined to the effort to bolster up our waning trade by the export of instruments of destruction, and to satisfy our demand for information by the import of manufactured news.

Let us be neutral; Let us be citizens of the United States by all means. Is it fair, or, in any event, is it wise to expect well-nigh half of the people of this nation to stand by while related peoples are mowed down with weapons of war, and the manufacture paid for with bank balances largely of their making and saved all heralded in the name of neutrality and in the guise of humanity? It is not to take account of things and conditions. Technically our attitude is neutral. In effect it is felt to be partisan. Sentiment is profoundly stirred; and sentiment once aroused is not readily controlled by argument or guided by reason. There may be a day of reckoning; and the time to prepare for it is now.

Dr. Dernberg was himself the author of "Germany and the World War," which was published by The Fatherland, which describes Germany as a nation of peace and all that sort of thing; very anti-British. "The *Lusitania* Case; Was Bryan's Resignation Justified," published in 1915 by Hugh H. Masterson, which was also the name under which the Shaemus O'Sheel publications were published, financed by the Germans. There are just scores of these different documents.

Senator NELSON. Could you give a list to the stenographer of these German publications?

Mr. BIELASKI. Yes, sir.

Senator NELSON. Furnish that afterwards?

Mr. BIELASKI. Yes.

(The list of publications referred to was furnished by Mr. Bielaski, and is here printed in the record, as follows:)

BIELASKI EXHIBIT No. 13.

"Warlike England as seen by herself," by Ferdinand Tonnies, published in 1915. The advertisement regarding this book gives an idea of its purpose and scope. "A scholarly and comprehensive indictment of England's over-weening lust for world-conquest. Out of the mouths of her own statesmen and historians she is convicted of the appalling crimes of piracy, murder and arson in the establishment of her vast colonial empire for the benefit of her so-called upper classes. The horrors of her once vaunted slave trade, the conquest of India, the outbreaks in Afghanistan, the conquest of Egypt and the outrages of the Boer war have become a lasting shame. Her struggle to preserve the balance of power among nations for her own selfish advantages is set forth in this volume as the active determining factor in the world's greatest war."

"The Neutrality of Belgium," by Alexander Fuehr, which was published in October, 1915. A good idea of the character of this book can be had from the following taken from the advertisement circulated concerning it: Makes three claims, which have not heretofore been made thus carefully for Americans to consider:

1. That Belgium was not neutral territory when the German army invaded it.
2. That, according to the Law of Nations, the treaty guaranteeing Belgium's neutrality has been void for many years and has been considered so by Great Britain, prior to the war;
3. That, even if the guarantee treaty had still been in force, International Law fully permitted Germany to invade Belgium under the particular circumstances.

Cites Treaties, Documents, Legal Authorities, Press Articles and Affidavits, to sustain these claims. Gives full account of the origin and the break-down of Belgium's neutrality.

"The Origin of the War," by Carl Federn, published in 1915. The following taken from the advertisement concerning it shows its purpose: "A lucid presentation of the underlying causes of the European conflict and its meaning to the nations involved. By documents and other recently discovered evidence, Mr. Federn makes out his brief—that England, scenting danger to her own prosperity in the development of German science and inventive genius, sought by the aid of alliances with France and Russia to crowd Germany out of the markets of the world. The result of this policy, furthered by ambitious politicians, resulted in this war, disastrous to this isolation program. Written dispassionately, this book aims to disseminate a correct idea of the origin of this titanic struggle."

"The Tragedy of Belgium," by Richard Grasshoff, published in 1915. This book was devoted to an effort to refute statements defamatory of the German people and the German Army.

"Neutrality," by S. Ivor Stephen, published in 1916, by the Neutrality Press, 206 West 46th Street. In the preface the author acknowledges his indebtedness to Jeremiah O'Leary for assistance in the preparation of his material, states that the talented and brilliant editors of the Fatherland and of Issues and Events have been of great stimulus and help to him. He also gives thanks to Frank Harris. The writer quotes from Dr. William Bayard Hale. He attacks the Cabinet. Quotes from the Hearst papers. Contains pictures of Viereck and much in his praise. Also the picture of Miss Ray Beveridge "a victim of British intrigue" and an "indefatigable worker in the German cause." It also contains a picture of Jeremiah O'Leary, and much praise for him and for the Irish World.

"England or Germany," by Frank Harris, published in 1915. He endeavors to compare England and Germany, to the great advantage of Germany.

"India's 'Loyalty' to England," published by the Indian National Party in September, 1915, was also circulated.

"A Slanderer" by Professor Dr. Theodor Schlemann, published by Issues and Events, written in answer to the book called the "Accuser" and is devoted to an effort to place responsibility for the war on France, Russia and England.

"Germany's Economic Power of Resistance" by Gustav Cassel, published in 1916. The writer concludes that Germany can hold out during a long period of isolation extending over many years. Gustav Cassel apparently is a Swede

from Stockholm University who spent three weeks in Germany in March, at the request of the German minister at Stockholm. Issued by Jackson E. 1123 Broadway, New York City, which is said to be controlled by Viereck.

"Worth Knowing." A pamphlet issued as a booklet by the Vitalis. This pamphlet is devoted to the discussion of an advertisement by the Cold Automatic Machine Company concerning machinery to make poison shells.

A circular entitled *"Traffic in Arms and Ammunition"* by Hon. Chas. Nagel, circulated in the name of the American Independence Union, of which Herman Ritter was Honorary President, Hon. Richard Bartholdt, President, Dr. Thomas C. Hall, Vice President, A. P. Moore, Secretary, and James C. Treasurer. It is intended to aid in a campaign to put an embargo on the exportment of arms and ammunition. It was circulated under date of May 8, 1915.

"Can Germany be Starved Into Submission?" by Dr. Hugo Schweitzer. Address made by him on February 3, 1915. Dr. Schweitzer was a very able German propagandist as well as a chemist in the service of Germany. He is now dead.

"Damaging Evidence Against English Hypocrisy," bears Berlin date March 1915. Compares the occupation of Egypt in 1882 with the Invasion of Belgium in 1914.

"The Unholy War on Germany" (no. 2) by Hanford L. Gordon, published in Los Angeles, March 2, 1915.

A pamphlet of similar title (No. 3) by the same man dated March 10, 1915.

"The Lusitania Case, Was Bryan's Resignation Justified?" published in June, 1915 by Hugh H. Masterson, 170 Chambers St., compares the action at sea on the part of Germany and England.

"The Great Conspiracy," by Alexander Szarski and Faust C. DeWalsh, published by the German-American Literary Defense Committee. This pamphlet charges Russia and Great Britain with a conspiracy to wage a war of conquest.

"Germany and The Peace of Europe" by Ferdinand Schevill.

"The Evolution of The German Empire," by George L. Scherger.

"Germany and England—the Real Issue," by Dr. Bernhard Dernberg. Part of a series of pamphlets published by the Germanistic Society of Chicago.

"Americans, Awaken!" by Francis Savona, published in 1916.

"The Economical Consequences of the World War," by the President of the Chamber of Commerce at Bremen. Issued September 29, 1914, published anonymously.

"The War Business in the United States," published by the American War Business Conference, written anonymously, but probably by William Bayard.

"Thou Shalt Not Kill," published in the name of the Organization of American Women for Strict Neutrality, but written by Mr. William Bayard. Published at the instance of the German Government in an effort to prevent the exportation of arms and munitions of war. It contained a letter supposed to have been written by one William Harlan, of Kennett Square, Pa., but which is testified to was written in its entirety by Hale.

"Aspects of European Diplomacy since 1878," by Henry D. Funk. This pamphlet is devoted to an effort to disprove that the German government set up a war machine and entered upon a war of conquest.

"The Catechism of Balaam, Jr." by an Irish-American, published in 1915 by Hugh Masterson. It was distributed for one cent a copy, the publisher offering that similar copies would be sent gratis and that he had distributed 50,000 copies. Written by Shamus O'Sheel.

"The Imperial Russian Finances," published by the International Monetary Inc., which was one of the organizations carried on in Viereck's name.

"The German White Book" published by the Fatherland Corporation. Supposed to contain translation of original documents intended to show that Germany caused the war and that France might have avoided it.

"The War Plotters of Wall Street," by Charles A. Collman, published by the Fatherland Corporation in 1915, and is what might be expected from its title and the house which published it.

"War and Catholicism," published in 1915, anonymously and for the avowed purpose of answering for the Germans charges by the French Catholics against Germany.

"Truth About Germany," printed in New York anonymously. Prepared apparently under the auspices of a Committee of prominent Germans in Germany. It is an appeal to Americans. Disclaims the responsibility on the part of Germany for starting the war and contains one rather startling complaint.

the German standpoint and that is to the effect that Germany has been overrun by spies for years past, charging these spies to France, Russia and England.

"A Trip Through Headline Land", by the author of *"The Catechism of Balaam, Jr."*, published by the Fatherland Corporation in 1915, complains of the attitude of the American Press. Author—Shamus O'Sheel.

"Germany's Hour of Destiny", by Col. H. Frobenius, published by the International Monthly in 1914. Introduction by W. R. Shepherd, Professor of History in the Columbia University, states that it describes the motives and aims of the chief powers in the war, proves that Germany is not militaristic, and that Russia, England and France intended to make war upon Germany for selfish reasons.

"German White Book on Armed Merchantmen", printed anonymously. "The case against Armed Merchantmen." Timely reprints from the New York Press. The quotations are from the Evening Mail. An article by Hale from the New York American, other quotations from the New York American, and an article from the New York Times, which, however, contains nothing except the text of a note which the Chicago Herald printed as having been addressed to the European Belligerents by American Ambassador at the direction of the Secretary of State.

"Germany's Case in the Supreme Court of Civilization" published by the Fatherland in 1915, written by Dr. Carl Helfferich.

"Current Misconceptions about the War", published by the Fatherland Corporation in 1915, contains a report of an interview by Karl H. von Wiegand with the Crown Prince, and various reprints from different papers.

"England on the Witness Stand", published by the Fatherland in 1915, containing an introduction by Frederick F. Schrader, one of the editors of the Fatherland, containing a number of articles attributed to various Englishmen.

"The Belgian People's War", purporting to contain translations from the official German White Book, dealing with the supposed offenses of the Belgian civilian population.

"Germany and the Monroe Doctrine". Copy of an address delivered by Dr. M. J. Bonn, University of Munich, supposed to show Germany's acquiescence in the Monroe doctrine.

"Why the German Nation has Gone to War", by George Stuart Fullerton, originally written November 1, 1914, reprinted in February, 1915.

Copy of a letter addressed under date of September 14, 1915, to the British Prime Minister by Mohamed Fahmy. Takes England to task for her actions in Egypt.

"Germany and the War" by Dr. Bernhard Dernburg, published by the Fatherland, describes Germany as a nation of peace. States the purpose of his mission in America is that of a confidant suppliant pleading the cause of humanity. Has chapters devoted as to at what England aims, the causes of the war, a reply to Lord Bryce, denounces England's treaty record.

"Germany's Just Cause." A series of articles by pro-German professors published by the Fatherland. It includes articles by William Bayard Hale and Professor Thomas C. Hall and others. As Frederick E. Schrader, one of the editors of the Fatherland describes the pamphlet "That Germany is fighting for a just cause is herein set forth by some of the leading native American scholars."

"The Lies of the Allies" by Frank Koester, Issues and Events, with an introduction by Jeremiah O'Leary. Mr. Koester was born in Germany and he discusses articles printed in the American papers favorable to the Allies and critical to Germany which he thinks are untrue.

"European Politics." During the decade before the war as described by Belgian Diplomats, documents issued by the Imperial German Foreign Office, published anonymously.

"The Real 'Belgian Atrocities,'" a document containing the pictures of the native Belgian Congo Free State alleged to have been mutilated by the Belgians in 1912 because of insufficient deliveries of rubber.

"Documents Relating to the Outbreak of the War," published by the Imperial German Foreign Office.

Speech of the German Chancellor, Dr. Von Bethmann-Hollweg, before the Reichstag November 9, 1916, issued by the New York Agency of the Trans-ocean Service.

"Some Economic and Political Aspects of General Training under the German Military System," by Moritz J. Bonn. Address delivered at a meeting of the Academy of Political Science held at Columbia University in May 18, 1916. A reprint from the Germanistic Society Quarterly.

"German War Finance," by M. J. Bonn, printed by the German University League.

Austro-Hungary and the War.

Searchlights on the War.

The Viereck-Chesterton Debate.

Why Germany will Win the War.

Peace or War.

The Case of Belgium.

Senator OVERMAN. You spoke of this man O'Leary. Did he figure in that at all?

Mr. BIELASKI. Jeremiah O'Leary?

Senator OVERMAN. Yes.

Mr. BIELASKI. Yes; he was very active in the German cause. He is now under indictment in New York City for his activities since we went into the war, with certain paid German spies in this country, Mme. Victorica, and a man that used the name of Roediger. He is also under indictment for certain publications of his.

I do not know just what topic to select now, but perhaps George Sylvester Viereck and his publications, the *Fatherland* and the *International*. Viereck and Hale and Rumely were all in the same class. They were hanging around where there was a lot of money, each one trying to get all he could from the representative of Germany.

Senator NELSON. Was he on the German pay roll, too?

Mr. BIELASKI. Who?

Senator NELSON. Viereck?

Mr. BIELASKI. Oh, yes.

Senator OVERMAN. What was his nationality? Was he a German?

Mr. BIELASKI. Viereck was born in Germany. His father came to this country when he was a minor. He was naturalized, and then George Sylvester Viereck became an American citizen. His father returned to Germany, was in Germany while we were at war, and I suppose is still there; but George Sylvester Viereck has a proud claim to American citizenship through his father's naturalization.

Senator NELSON. Since he quit the publication of the *Fatherland*, has he published another paper, has he not?

Mr. BIELASKI. Yes; he has published the *American Weekly*, and he calls it, I think.

Senator NELSON. Is that still published?

Mr. BIELASKI. I think it is; yes, sir.

Maj. HUMES. Since his naturalization the father has returned to Germany, has he not?

Mr. BIELASKI. Yes; but I do not understand that any action of the father could well affect the status of the son.

Maj. HUMES. But the father has ceased to be a resident of this country?

Mr. BIELASKI. Oh, yes. There might be some claim that the father has forfeited his citizenship.

Senator OVERMAN. Did you investigate the naturalization of that man Hammerling?

Mr. BIELASKI. We have all the facts; yes, sir. I think the facts, though, were first secured by the Military Intelligence Service. They were made known to us by them in March or April, 1918. Hammerling made a false statement in his naturalization papers as to his place of birth. He gave it as Hawaii.

Senator NELSON. And also as to the time he had resided in the United States.

Mr. BIELASKI. Yes; he actually was born in Galicia, Austria.

Senator NELSON. Why could not the Department of Justice bring suit to cancel it?

Mr. BIELASKI. As I understand it a suit must be brought for fraud, and I do not know whether a suit could be maintained under those facts or not.

Senator NELSON. I think so. There are seven suits. I recall one that went up from the State of Washington.

Maj. HUMES. Mr. Bielaski, I will say for you, for your information, that we have developed in the examination of Mr. Hammerling here that he not only misrepresented his nationality, but he also admitted that he had only been in this country three years when he was naturalized, and he swore at that time that he had been a resident continuously for five years, so that those facts are supplemental to the records you now have in the Department of Justice.

Mr. BIELASKI. That is something I did not know anything about.

Maj. HUMES. That is in the record here.

Senator NELSON. And he had never taken out his first papers?

Mr. BIELASKI. I knew that he had secured his naturalization by initial proceedings. Of course the naturalization laws were different then from what they are now.

The first letter I notice that Mr. George Sylvester Viereck wrote to Albert is under date of October 15, 1914, which was very early in the war. This letter reads as follows:

BIELASKI EXHIBIT No. 14.

[The Fatherland. Fair play for Germany and Austria. Published by the International Monthly (Inc.)].

1123 BROADWAY, NEW YORK, October 15th, 1914.

Mr. H. F. ALBERT,

45 Broadway, New York City.

DEAR MR. ALBERT: In view of our conversation at the office the other day I would like to say this:

I think that it is of the utmost importance to keep THE FATHERLAND alive even after the war. After all the German-American influence was a decisive check to the anti-German sentiment in this country. It will be necessary to influence the German-Americans and to inform them as to what really is going on in the world, so that Germany will always have 16,000,000 supporters, defenders and interpreters.

But I realize that this is not enough. It is even more important to obtain a purely American newspaper, such as the New York Sun or New York Press, and to edit it as any other American newspaper is edited, but to infuse into it a strong pro-German spirit. For instance, at present the New York Times has a news service in connection with the London Times.

* * * * *

It will be important to establish a similar news service in connection with the Ullstein group, or the Lokal Anzeiger or some similar German publication. This connection should include the exchange of cable news as well as all important articles.

It is also of the utmost importance that the Associated News should be watched closely from the German point of view and that the editorial page should be written like that of any other American paper, but with a clear understanding that closest relations with Germany are to the advantage of the United States.

In order to avoid mistakes and blunders of all kinds there should be an intimate connection between the Press Bureau of the Foreign Office in Berlin,

the Embassy here and some one connected with the newspaper in question would be very glad to connect myself with such an enterprise. It makes no difference in what capacity, whether as nominal publisher or assistant publisher, as Editor, Managing-Editor or in any other capacity.

In order to make this policy effective it will be necessary to own the stock and control of the newspaper. I would suggest that the paper be published by some one on whom you can rely and in whose name the stock can be held. For instance Mr. Rau or any one else who may hold similar confidential relations with you.

Mr. Rau was one of those who was active in the organization of the Press Bureau, and spent a good deal of money on behalf of the Germans. I will read part of that by and by, I think, because it says it is of interest in regard to propaganda among the Jews in the United States. (Continuing reading:)

He should be one of the directors of the newspaper. I should also be on the Board of Directors. Where the other director would represent the business interest and watch the financial side, my interest would be confined primarily to the editorial side. I would naturally co-operate with the other director in every possible way.

I would be perfectly willing, if necessary, to relinquish my official connections with THE FATHERLAND and with CURRENT OPINION, if such a scheme can be worked out to mutual satisfaction. The idea itself has been formulated many times. Even now I receive letters in every mail from people who ask why there is no pro-German American daily in New York City. If such a daily, if established, would necessarily extend a news service throughout the country, just as the Times and the Sun are doing at present. I know of one or two people who I think would go into such an enterprise, provided they had some other people's money backing it as well as their own. It would be a rather expensive thing, but I think that it will ultimately pay for itself, not only politically but also financially. If it is impossible to secure a paper in New York, Washington will be the next best thing, but naturally New York is more preferable. Washington for obvious reasons would be my second choice.

It is interesting to note that there were some conversations in connection with a New York paper and a Washington paper, although this suggestion was made later on, November 14, 1915. He says:

I shall be very glad to cooperate with you in this matter and nothing will please me better than to represent on such a paper the cause to which we all are devoted at present.

Senator NELSON. Have you any data there showing to whom THE FATHERLAND was sent?

Mr. BIELASKI. To whom it was sent?

Senator NELSON. Yes; the circulation of it.

Mr. BIELASKI. I do not know whether we have it here or not.

Senator NELSON. I have reason to believe that THE FATHERLAND was sent to a great many Lutheran ministers in the Northwest.

Mr. BIELASKI. Yes; I think it was, undoubtedly.

Senator NELSON. It was sent free to both German Lutherans and Scandinavian Lutherans. If you have anything of that, I would like to have it put into the record.

Capt. LESTER. We have a complete mailing list here in our files of THE FATHERLAND, Senator.

Senator NELSON. You can put it in afterwards.

Capt. LESTER. Yes, sir.

Senator NELSON. Never mind, then, Mr. Bielaski.

Mr. BIELASKI. On October 7, 1914, Viereck sent to Albert an article entitled "What Germany Owes to Ireland," and Albert asked him to have it printed in the New York Times. That was one of his earlier efforts.

In December, 1914, he wrote to Dernburg and asked him how many copies he would like to have of Dernburg's own pamphlet, and named certain other pamphlets, which shows that Viereck was getting out these pamphlets for Dernburg.

To show the close cooperation between Albert and Viereck, on December 3, 1914, he writes Albert as follows:

BIELASKI EXHIBIT No. 15.

DEAR MR. ALBERT:

By way of reminder:

1. Will you prepare an article of the flag protecting the cargo to be published by Mr. Brunder and by The Fatherland and to serve as a guide line in the present campaign.

2. Will you send Brunder John Bassett Moore's opinion marking such passages as are to be kept strictly confidential.

3. We were to send all material sent out by this office to Mr. Brunder personally.

4. We were to propose an agricultural contributor. I suggest Mr. Koester.

5. We were to arrange for a conference or a dinner with the German publishers of New York City.

6. I am making arrangements with the Athletic Club and I hope that I will have the pleasure of taking dinner with you some time next week. Perhaps you would care to go with me to some theatre either Tuesday or Thursday?

With kindest regards, in haste,

Faithfully,

G. S. VIERECK.

And there are a lot of other things which he doubtless is wanting for his publication.

Here is a letter to Bernstorff by Viereck, which shows how they kept in touch [reading]:

Many thanks for your note of February 5th. The forty or fifty copies will make no difference in our account, whatsoever.

Senator STERLING. What year is that?

Mr. BIELASKI. The date is February 6, 1915. He writes quite a long letter here just about general matters to Bernstorff. The postscript is a little interesting. He says:

P. S. I had an interesting conversation with Governor Colquit and Hermann Ridder last night with regard to the purchasing of the New York Sun. I shall take this matter up with Albert and also talk it over with you when you are next in New York. Will you not please let me know? G. S. V.

Later on I expect to give you some information about the purchase of the Sun by Samuel Untermyer, in connection with Dr. Albert. This letter to Bernstorff also suggests some support to the German theater, and so on.

Then, March 4, 1915, Mr. Viereck wrote an interesting letter to Dr. Albert, which is marked "Confidential," and reads as follows:

BIELASKI EXHIBIT No. 16.

[The International, a Magazine of Life and Letters, 715 Broadway, New York City.]

1123 BROADWAY, March 4th, 1915.

Confidential.

DEAR DR. ALBERT: I had another talk with Dr. Hale on the subject of THE INTERNATIONAL. It seems to be your impression that I want to sell THE INTERNATIONAL. Such is not the case. I have no intention of selling it. I am willing to transfer a part of the stock nominally to some one else, but I

want to get it back. It is not for sale. I shall, however, give to Dr. Hale a certain amount of stock outright, if that is desired, so as to give him a substantial interest in the magazine.

THE INTERNATIONAL is published by The International Monthly, Inc. The magazine was founded several years ago. The company which at present owns it is only ten months old. One of the officers of the company is Curt Reisinger, the son of Mrs. Hugo Reisinger.

Mr. Reisinger was also interested in the Evening Mail, as a stockholder, with Rumely. He is a grandson of Adolph Busch.

Senator OVERMAN. And who is Mrs. Reisinger?

Mr. BIELASKI. She is the daughter of Busch. [Continuing reading:]

Its records have been kept straight by Mr. Grill, its legal adviser who is also legal adviser for THE FATHERLAND. The International Monthly, Inc., has no liabilities of any kind. THE INTERNATIONAL never has a bank account of more than a few hundred dollars at a time, but since I have taken it over directly personally it has always at least met its expenses. Although I have not been able for the last year and a half to give much attention to it, it has a circulation of about 4,000, and our income, small as it is, has been sufficient to pay its expenses. In addition to that THE INTERNATIONAL has an agreement with THE FATHERLAND according to which it can use the business machinery of THE FATHERLAND at cost. This in itself is worth several thousand dollars. The International Monthly, Inc. was the original publisher of THE FATHERLAND. THE FATHERLAND is now a separate corporation.

I have no interest in selling THE INTERNATIONAL but I have a great interest in establishing a weekly along the lines of our discussion. THE FATHERLAND will appeal entirely to German-Americans and will absolutely be pro-German. THE INTERNATIONAL is to be pro-American, but friendly to Germany, somewhat along the lines of the Washington Post.

If Dr. Hale accepts the editorship of THE INTERNATIONAL he will be absolutely unhampered by me politically. My name will not appear on the cover of the magazine nor in the stock book. It seems to me absurd for me to have a man of Dr. Hale's capacity without capitalizing him to the full extent. If he has an organ he can exert a tremendous influence. I am of the opinion that THE INTERNATIONAL published as a weekly will not only come a power within two or three weeks but that within six months it will pay for itself.

The advantages of taking THE INTERNATIONAL over rather than a new publication are obvious, for it would take more than \$5,000 to get a new publication to the point where THE INTERNATIONAL is at present, and no new publication would have any standing whatsoever with the Post Office or the public.

Let me repeat here that I do not want any money for THE INTERNATIONAL, but that any money we will receive will go into the business itself.

Then it speaks of Mr. Borgemeister. Mr. Borgemeister was Dr. Hale's right-hand man in his office, and kept all his records and accounts and handled his letters. [Reading:]

I suggest that we mutually agree upon Mr. Borgemeister or some one to whom you can trust to act as confidential accountant if we come to some financial arrangement.

THE INTERNATIONAL has a certain literary standing and is taken seriously in literary circles not only in this country but also in England, in spite of its checkered career. The advantages of taking THE INTERNATIONAL over rather than some other publication which might possibly be purchased are these:

1. THE INTERNATIONAL would cost us nothing. We do not have to purchase it.

2. It will be cheaper to run THE INTERNATIONAL than any other publication because of its peculiar arrangement with the FATHERLAND CORPORATION.

3. THE INTERNATIONAL IS ENTIRELY controlled by me. It will not be necessary to draw any new people into our confidence. Dr. Hale and I between ourselves can manage the whole job.

4. If in the future it should seem desirable to combine THE FATHERLAND with THE INTERNATIONAL this can be easily effected.

Personally I think that it is of great importance to us that we should have two organs; one German-American and the other entirely American, without distinct German-American affiliations. I also believe in action! It is possible that there may be a thousand better plans, but none of these plans has been advanced. This plan is ready. It will not cost you more a week than Dr. Hale has saved in other departments and it can be gotten out, if necessary, within a week from the moment we agree upon action. As every day is critical we should act at once!

I can give you, if you so desire, a financial statement of THE INTERNATIONAL, but that would be of little value since the income was small and the expenses were equally small in the last few months.

On March 8, 1915, Viereck writes Albert again about the International, and gives what Dr. Hale's views are, and an outline of expenses. Among the expenses he mentions are, "between three and four thousand of these copies would be needed for the newspapers, for Members of Congress and the Cabinet, weekly publications and other special lists." They evidently intended to furnish, free of charge, every public man a copy. This is a long letter, a friendly letter, between Albert and Viereck.

Under date of April 15, 1915, Viereck writes to Albert:

We had a meeting today, but alas, only twenty minutes, and it was impossible to transact any business.

That was the press bureau meeting. [Continuing reading:]

Dr. Rumely was present. I now understand from other sources that he did not meet Mr. Koelbe, but that he related his whole tale in the Staats-Zeitung, and it reached the ears of Koelbe from the Staats-Zeitung. Meanwhile he has told in Chicago and in other places the following story:

That official Germany is interested in backing a newspaper to be edited by McClure. The money is to be obtained by getting fifteen groups of people each of which is to put up \$150,000.

Mr. Rosenburg of Sears, Roebuck & Company has already put up \$50,000.

One of the effects of his propaganda is that the Evening Mail, which Dr. Schweitzer could have obtained for \$1,250,000 has not raised its figures to \$1,500,000.

Mr. Hugo Schweitzer was the chemical agent of Germany here, interested in the Bayer Chemical Co. He has since died. He was also involved in one or two other propaganda matters, like the German classics, in which he was the source through which the German Government paid for the work. [Continuing reading:]

Let me add that these statements are based entirely on what Dr. Schweitzer has told me.

I had various matters of importance to bring up at the meeting but there was no time to do so. As far as the German-American newspapers are concerned, I have come to the conclusion that it would be better not to bring in the Staats-Zeitung, because the Staats-Zeitung is a competitor of most of them. They are jealous of the Staats-Zeitung but not of The Fatherland, which is not a competitor. However, I am perfectly willing to bow to your judgment in this matter if you think otherwise.

Then he goes on to say that Mr. Bernard Ridder is out of town and will not be back for two weeks.

Here is a letter of Viereck to Dr. Albert in which he says:

I expect to stir up the German-American newspapers on the question of ammunition. I intend to send out the enclosed letter to every German publication, daily, weekly or monthly, in the United States. I shall publish the results in the same manner in which the "Digest" print such symposiums. I shall also give it out to the other American newspapers. I am sure that we

can obtain in this way something of the same effect as was achieved by the one-page advertisement of the foreign newspaper. In fact, we might decide to advertise the result in some way.

Viereck got various forms of money from Albert, so that when he did not have much when the war started, I suppose now he is up from \$80,000 to \$100,000.

Senator OVERMAN. What was the date of that last letter?

Mr. BIELASKI. April 12, 1915. He refers to the Hammerling advertisements, I have not any doubt.

Here is a letter of Viereck, too long to read, in which he refers to his efforts. It is dated April 27, 1915. He tells about the pamphlet he has sent out, and says:

I have sent out Nagel's article to 50,000 lawyers through the American Truth Society.

This is interesting as showing the direct connection of the American Truth Society with their propaganda work. He says:

I have made arrangements to send 180,000 with a special letter from Dr. Hall through the American Independence Union.

Finally, I have made an arrangement with Dr. Hall to include the article in his pamphlet for clergymen.

It will thus reach at least 330,000 people. In addition to that I shall reprint in The Fatherland, thus bringing it up to 410,000. In the hands of 410,000 intelligent people it will certainly reach every person in the United States of importance, directly or indirectly.

I have just talked to Bernard Ridder who will use the Nagel article in Staats-Zeitung. This gives it an additional circulation of, I believe, 150,000. Before we get through with it it will have a circulation of 1,000,000.

Moreover, I have another suggestion to make in connection with the scheme proposed by Mr. Rumely. I think it would be possible to print it as an advertisement provided it had some sponsor.

You see, the Hammerling scheme was one proposed by Rumely and that I think Rumely was surprised at the fact that Hammerling made money out of it.

Maj. HUMES. Who is the Dr. Hall last spoken of?

Mr. BIELASKI. He was an exchange professor, an American who went over to Germany as a professor and was the man who arranged for the meeting of Rintelen with our friend David Lamar.

Maj. HUMES. What is his full name; Dr. Thomas Hall?

Mr. JOHN LORD O'BRIAN. Thomas Hall. He was formerly at Union Theological Seminary. He was designated by the German Government. He was dropped from the seminary because of his activities.

Mr. BIELASKI. Viereck was also in correspondence with Von Papen. All these fellows were mixed up in this transaction.

Here is a letter from Viereck to Col. Von Papen calling his attention to certain articles in February.

Here is a letter in which he tells Albert that he is having 10,000 of Shaemus O'Sheel's "Trip Through Headline Land" printed and that he is sending out 3,000 to the newspapers and the rest distributed through The Fatherland.

Maj. HUMES. What is the date of that?

Mr. BIELASKI. May 15, 1915.

Maj. HUMES. I suggest that in referring to letters you give the date each time, so as to fix the time.

Mr. BIELASKI. Yes. Here is an interesting letter which shows that Mr. Viereck began to have some question as to whether he might

not get in trouble with the law. This is dated May 19, 1915. It is as follows:

BIELASKI EXHIBIT No. 17.

[Office of George Sylvester Viereck, 1128 Broadway.]

NEW YORK, May 19, 1915.

DEAR DR. ALBERT: I would be very much obliged if you will send me a copy of the statute which you showed to me the other day at the conference, as it is naturally of some interest to me.

And here is the reply of Dr. Albert. He says:

BIELASKI EXHIBIT No. 18.

DEAR MR. VIERECK: As requested I hand you enclosed a copy of the statute, and remain,

Yours very truly,

That was section 5334 of the statutes, and now section 5 of the Penal Code, which had to do with correspondence of American citizens and diplomatic officers in cases in which they are interested, an act which Dr. Hall would seem to have violated, but the statute has run.

Here is a letter which I think was made public at one time at the time that The World printed certain revelations as to Dr. Albert's activities, and he says to Viereck:

Now that I have just taken over the formal accounting of the payments I would beg you to present in the future, accounts one day before they are due. Mr. Cronmeyer will not appropriate any more payment without my o. k., and I will not give any o. k's if I have not been given at least 24 hours to examine the thing.

At the same time I beg you to inform me as to what the duplicate of the enclosed vouchers deals with.

The following is an important letter addressed to Dernburg by Viereck under date of May 14, 1915:

BIELASKI EXHIBIT No. 19.

May 14, 1915.

DEAR DR. DERNBERG: I am pleased to be able to tell you that my defense of you appeared not only in the New York Times, Evening Mail, Herald and in the Tribune, but seems to have been published throughout the country. I think it is partly responsible for the excellent editorial which appeared in the Globe last night. My statement on the Lusitania was also reprinted in many papers throughout the country, including the New York Times and the Washington Post. I state these things not to call your attention to my own efforts, but to emphasize the fact that I have a certain knowledge of the psychology of the American public and certain connections which may make my advice of some value. In fact, I am of the opinion that "The Fatherland" and I have been able to place more facts before the American public from the German point of view than the entire German Information Service. We have been able to do more than any one, excepting yourself.

I am of the opinion that now that you are compelled to observe silence for a certain time our own efforts should be redoubled. I have various suggestions to make and I should be very grateful to you if you should find the time to go over them carefully. I should be very glad to explain them to Dr. Meyer-Gerhardt in detail, if you so desire.

1. For some time we have felt that The Fatherland has been very much cramped for space. Many important events have taken place that we were able to only inadequately. In the next number for instance, I would like to devote at least five pages to the Russian atrocities. I would like to print a good deal of the efficient material carefully edited by Mr. Schrader and add such other facts as are in our possession. I would like to make this a very

impressive document but unfortunately we cannot give more than two to it under the present conditions.

The hostility of Germany makes the big business interests extremely reticent to advertising in *The Fatherland* during the war. I would like to add four pages if possible to the magazine, but we can do so only if the advertisers were to pay for the same. We can not get for the time being the advertising we need, and we are not in the position to pay ourselves the actual expense of adding at least four pages of text every week. This expense, in view of our large edition, would amount to about \$250 per week. I would like to add four additional pages the following week for the purpose in question. I would like to add four more pages the next week in order to reply to the Bryce report and to print in detail the German reply to the French accusations. Now, four pages are quite sufficient, for I have other plans which I think will increase the effectiveness of our work and which can not be carried out unless we have more space at our disposal.

A few weeks ago at one of our conferences it was suggested that I should find a writer who would write fiction offsetting, to a certain extent, the German work of such men as Oppenheim in the *Saturday Evening Post* and Cleveland Moffet in McClure's. You may remember that Cleveland Moffet's *McClures* depicts the United States and Germany at war. The first instalment takes up the invasion of Brooklyn by Hindenburg. Fiction of this nature is much devoured by the people and is widely discussed in magazines.

I have now made arrangements with Mr. Shaemus O'Sheel, the author of "Catechism of Sir Balaam, Jr." and a "Trip through Headline Land," to write a serial story in ten or twelve instalments for *THE FATHERLAND*, showing the war of 1920 between the United States on the one side and the Allies on the other. Mr. Albert has read O'Sheel's scenario and has even declared his willingness to make it possible to pay O'Sheel for his work. But, of course, the author is not the chief expense. The main outlay would be the additional space to *THE FATHERLAND*.

It is my intention to have the serial illustrated in the sort of style which appeals to the American taste. I know that it will be widely discussed. I am sure that it will be effective. I may add that O'Sheel's *Catechism of Sir Balaam, JR.* had a distribution of 300,000 and was translated in many languages, including Spanish. It is also my intention to bring out O'Sheel's story as a little book after it has appeared in the Magazine.

O'Sheel in his story will show you the war first begins with the United States and Japan. England at first holds aloof, although she refuses to state on what terms she will remain neutral. When, however, the United States in order to save the Panama Canal is compelled to violate the Territory of the Republic of Panama, England, as the champion of little nations, at once declares war on the United States upon the same highly moral grounds upon which she has previously taken to defend Belgium. Portions of the English White Books, etc., will be introduced with telling effect. The United States finds itself attacked by England, Japan, Mexico, Russia, and France.

Meanwhile, Germany is selling munitions of war to the Allies. The President of the United States protests against this practice, but he is politely told that Germany's attitude now was the attitude taken by the United States in 1914. "We shall be very glad to sell munitions of war to you, but it is up to you to see that you get them."

However, a movement to lay an embargo on arms on purely ethical grounds is initiated in Germany, under the leadership of Dr. Bernhard Dernburg. This is our intention to introduce names of well-known people in the same way as which Cleveland Moffet introduces them into his story). The murderous war is stopped. The United States has a breathing spell. Meanwhile, the Mexicans are invading the country. California is in the hands of the Mexicans. Things are going strongly against the United States. She is almost ready to give up when at last Germany, who has recuperated from the war, comes to her assistance, by destroying the English fleet wins for the United States a victory with honor.

There will be many thrilling incidents, possibly a little love interest and much human interest. The attitude of the German-Americans and the Irish will be carefully mapped out. There is no question in my mind that the story will help our movement.

I therefore suggest that you grant us the \$250 a week for adding four pages to the next two numbers in which the atrocities will be discussed, and for the succeeding 12 or 15 numbers in which O'Sheel's story is to appear.

In addition to O'Sheel's story I shall have to reprint my father's reports from Belgium which will also take considerable space.

I really don't see how without four additional pages I can wage an effective campaign.

Let me remind you of the fact that THE FATHERLAND has not asked you for aid or assistance heretofore, and that even now we merely ask you to reimburse us for our actual expense. THE FATHERLAND, as you know, is self-sustaining, but it has no capital and it cannot therefore spend these sums needed for this purpose in the hope of recovering this by the increase in circulation.

I have just received from Germany a history of the German people written by my father. This book was originally intended for use in German text books in American colleges. It was written with an eye to the American public. My father has brought his history straight up to the present war. The motto of his last chapter is that sentence of Kitchener's which is quoted in the little French book on the war which we discussed at the meeting a few weeks ago. It is certainly up-to-date. My father, as you know, is an American citizen. He is the author of the book, "German Instruction in American Schools" written for the American Government and published by the Government.

I would like to publish this book at once and THE FATHERLAND is willing to bear the entire expense of its publication, but however, it is at present written in German and I would like to have Professor Shepherd write an introduction and to have von Mach translate it into English. If von Mach cannot do so one of Professor Shepherd's assistance's will be glad to undertake the task. I should, of course, have to remunerate both von Mach and Shepherd for their work. You have heard some time ago that Prof. Shepherd is a little disappointed because of the lack of recognition he has received for his services. I would like very much to be able to help him along a little financially through this work. I would also like to help von Mach, though he is probably less in need of it than Shepherd.

I think such a book, carefully edited by Shepherd and von Mach for the American public, will unquestionably be very effective. One of the reasons that the American people do not understand Germany and her present position is because they are absolutely ignorant of the history of the German people. I could probably secure for this book—which would not be a part of the German propaganda—but as a straightforward history—much publicity and a large distribution.

I would like, however, to receive an appropriation of \$750. in order to be able to pay both the translator and the editor of the English version. The manuscript is in my possession and I will be very glad to let you look over it if you have the time while you are in "exile," in your hotel.

III. Some time ago the Philadelphia Ledger printed a review of the periodicals in the United States and pointed out with glee that there was not one monthly that represented the German side of the case. This charge induced me to revivify THE INTERNATIONAL, which I had neglected, and you have yourself expressed approval of the way in which the last two or three issues of THE INTERNATIONAL have been edited. I succeeded in obtaining articles from Shepherd, Hale, Crowley, Bond and many others, and there has been a remarkable revival of interest in the magazine. Our circulation is increasing and the magazine is being quoted again. Let me call your attention to the following articles published in the last few numbers:

1. The Real American attitude between Germany and England. The Lesson of a Hundred Years Ago.

2. German Liberty.

3. An Impression of Bismarck.

4. American Neutrality and Real Neutrality.

5. The Menace of Canada.

6. Torture (A strong story of Russia).

7. Lord Northcliffe and the Great Conspiracy.

8. The Mistress of the Seas.

as well as many strong editorials by Mr. Harvey and Dr. Hale.

In the next number we shall publish the following:

1. The End of England by Aleister Crowley.

2. Anthropology and the War Prof. von Luschan

3. The Historical and Political Causes of the Present World War, by Dr. S. Melamed

as well as many more strong editorials and good fiction, from an American standpoint.

The cue of the INTERNATIONAL is that it is not pro-German but gives a square deal to Germany.

I think that THE INTERNATIONAL will be useful for the publication of many articles that could not be placed to advantage in THE FATHERLAND and which we cannot get published anywhere else. THE INTERNATIONAL is now being sent to two or three hundred newspapers, but I would like to get it to all the editors of the daily papers, to the most important weeklies, and to members of Congress. This would mean about 3,000 in all. We cannot give it free, because that would be against the Postal Law, and would be beyond our means. Do you think that you can get an appropriation to pay for these subscriptions? With money thus received I could push THE INTERNATIONAL and purchase articles without new appropriations.

IV. In view of the present agitation against you, and because of the papers which represent the German point of view, it seems to me highly probable to push the proposed Association of German-American newspapers. It was my original suggestion that Mr. Ridder should call a meeting of German-American publishers in Chicago. Ridder seems to think that there would be much jealousy if he did so and instead asked me to issue a call promising his support. For various reasons I do not wish to appear prominently in the movement, I think the call should be signed by several important publishers, not by one.

Mr. Ridder calls my attention to Mr. George Seibel of the "Volksrecht" in Pittsburgh. Mr. Seibel judging by his letter is a very energetic man and I think he can be persuaded to undertake the organizing work, if his expenses were met. I also think it will be necessary to issue invitations to the convention by telegram, if the situation should assume more threatening proportions. For a war between Germany and the United States would mean at least the attempt to suppress all German-American publications, demonstrations, etc. I would like to appeal either directly or through Mr. Seibel to German-American publishers to raise their voices as Mr. Ridder is doing against any attempt to drag our country into war. I think that they should not only voice those protests in their own publications but that they should send telegrams to Washington at once.

I am personally of the opinion that this country is drifting into war with Germany. The President may not think so himself because his "war waiting" in Mexico while it led to bloodshed did not involve us into a war. I am afraid that the President does not realize that Germany cannot be treated like Mexico; that the Kaiser is not Huerta. As a patriotic American I would like to fight against any policy that could possibly involve this country into war with Germany. For that reason I would like to influence anyone to whom I could possibly reach by wire or otherwise. We must act now because it is too late.

For obvious reasons I did not wish to bring up the details of this propaganda at our conference, but would like to talk them over with you and Meyer-Gerhardt whose knowledge of conditions will make his suggestions of inestimable value.

It may seem to you that I have asked for a good many things in one letter but they are merely matters which I have wished to bring up for several months at conferences. But every time I was prevented for some reason or other.

All my suggestions have been made after very careful reflection and I think that they deserve your careful consideration.

Believe me, most sincerely yours,

(Signed)

GEORGE SYLVESTER VIERECK

In June, 1915, there was some correspondence between Viereck and Albert as to their efforts to get into the Saturday Evening Post through Miss Agnes Laut, an article on the subject of munition and war and the effect which the present inflated trade in war material will have on the future of this country.

Senator NELSON. She is a Canadian woman, is she not, Agnes Laut?

Mr. BIELASKI. I do not know much about her, but on June 26, 1915, Viereck again writes to Albert:

BIELASKI EXHIBIT No. 20.

JUNE 26, 1915.

DEAR DR. ALBERT: I have arranged for Miss Laut to have dinner with us Wednesday, 7.30 at the Plaza, in a private room. I hope you will surely be able to be present. I think our meeting will be fruitful of result.

Please don't forget to invite Professor Clapp, as I have not the pleasure of knowing him.

Faithfully yours,

G. S. VIERECK.

Clapp had devoted a good deal of time in his book to that subject. Maj. HUMES. Do you know whether or not they succeeded in getting it in the Saturday Evening Post?

Mr. BIELASKI. I do not know whether Miss Laut wrote the articles or not. I assume she did.

Here is a suggestion of Hatzfeld about Viereck's proposition to run a propaganda of advertising in the street cars. They covered almost every possible way of reaching the public. But Prince Hatzfeld had a very decided feeling on the matter. He said:

In the report of the 22nd instant it is stated that Mr. Viereck wishes to undertake in the street cars on the part of the "Fatherland," a cartoon propaganda against the export of weapons. In my opinion that must absolutely not be done in case it is evident from the placard that it is issued by the Fatherland. For everybody is now convinced that the "Fatherland" is the organ of the Embassy. All boastfulness of Viereck makes no difference. I am convinced that the attitude of the Government against Count Bernstorff as expressed in the first Lusitania note, originates for the most part from the articles of the Fatherland, which are regarded as inspired by the Embassy.

And so on.

Here is a statement showing the interest of Albert, June 29, 1915, in the Fatherland. (Reading:)

BIELASKI EXHIBIT No. 21.

[Office of George Sylvester Viereck, 1123 Broadway, N. Y.]

JUNE 29, 1915.

DEAR DR. ALBERT: In thinking the matter over, I do not think that Mrs. R. would be the proper intermediary inasmuch as she does not attend to her financial affairs herself. If it must be a woman, Mrs. G., the mother of our friend Mrs. L., would be far better.

However, personally I see no reason why this payment could not be made every month through Mr. Meyer just like the other payments. If there is any objection to that, I would suggest that the payments be made to my personal friend and lawyer, Mr. Ely Simpson, whose standing as my legal adviser exempts him from any possible inquiry.

As I have already received \$250 this month, I inclose a statement for \$1,500 for June. Will you please O. K. this and I shall then send my secretary for the cash. I am sending this letter by boy as for obvious reasons I do not wish it to go through the mails.

With kind regards,

Sincerely yours,

G. S. VIERECK.

Senator STERLING. Do you know the women to whom reference is made there by Viereck?

Mr. BIELASKI. Yes, sir; they are women who were pro-German, in New York, and I do not suppose there is any particular object in bringing their names out. We do know who they were, though, of course.

Senator STERLING. Yes.

Mr. BIELASKI. These are other letters with respect to this. This is a letter written by Albert to Viereck, apparently in reply to the one, dated July 1, 1915. [Reading:]

BIELASKI EXHIBIT No. 22.

JULY 1, 1915

DEAR MR. VIERECK: Your statement for the \$1,500 allowance, which has been rendered after the deduction of \$250 for the month of May, I have received.

I hope in the course of the next week to be able to remit payments to you. In the meantime I beg to propose a fitting person who could examine thoroughly the financial relations of your paper. From the moment when we grant you a regular allowance, I must

1. Have a new statement of the condition of your paper.
2. To exercise a control as to financial management.

Besides we must acquaint ourselves as to your pursued politics, which at the present has not been necessary. You will perhaps have the kindness to discuss the matter because of this letter with Mr. Fuehr.

Here is a letter dated July 7, 1915, to Fuehr.

Maj. HUMES. Written by whom?

Mr. BIELASKI. By Viereck. All of these are Viereck's letters with respect to the Fatherland. He reviews the expenditures and income of that they have made, and gives his balance sheet and the investments and refers to the publication of various pamphlets that they have made. He says on page 3 of this letter:

Mr. Albert in his letter to me states that he would like to have financial control over the magazine. I am not sure whether I understand him correctly, but if he really desires control this can, of course, be arranged by the purchase of the control of the stock, which is now in my hands.

He agrees to let it stand in his name so as to conceal the ownership, and turn the certificates over to somebody else. He makes various suggestions as to how the financial end of it can be handled. It gets very poetic. He says:

It seems to me that it is of importance to the German cause that my position should not be vulnerable. And yet it would be if in the eyes of people like Dr. Hale and Mr. Myer I should appear as Germany's subsidized agent.

Really bad!

I should not even wish Mr. Borgemeister to be acquainted with the details of our arrangement, because he is a friend of various of our directors and employees.

He says further:

In view of my connection with the brewing interests this statement has been accepted.

He says in another place:

I have so arranged the matter that such payments as I shall make to the Fatherland directly will be booked as subscription receipts, and I have the other directors of the company that I have obtained these funds from a group of wealthy brewers.

Senator OVERMAN. Are you pretty nearly through with those letters?

Mr. BIELASKI. Yes.

Senator NELSON. He has a few left.

Mr. BIELASKI. I have a great many letters left, but on this particular subject not much. This is simply a financial statement. It is a proposed arrangement whereby Mr. Viereck was to transfer

per cent of the shares of the International to Dr. Hale, and Dr. Hale was to hold them for the German Government.

Senator NELSON. What is the date of that?

Mr. BIELASKI. It is not dated, but as I understand from our inquiries was never actually consummated. The German Government did not finally take over the International at all.

Here is another of July 20, 1915, concerning Miss Laut, which would seem to indicate that she was going to write the article mentioned. He says:

I have a letter from Miss Laut. She says "Things are incubating. You will see presently." I do not think our dinner will have been without effect.

Feeding the ladies is a great game. The rest of the letter relates to the circulation of some new propaganda matter. Then he tells about getting out a calendar with all the German heroes on it, and wants to know what about it from Albert. I think that is enough of the letters to show the absolute control of George Sylvester Viereck and his papers by the German Government. There is a great deal more of detail.

Senator OVERMAN. We will take a recess until 2.30 o'clock p. m.

(Whereupon, at 1 o'clock and 5 minutes p. m., the subcommittee took a recess until 2.30 o'clock p. m.)

AFTER RECESS.

TESTIMONY OF MR. A. BRUCE BIELASKI—Resumed.

The subcommittee reconvened, pursuant to the taking of the recess, at 2.30 o'clock p. m.

Mr. BIELASKI. Mr. Chairman, during the intermission some of the representatives of the committee have called my attention to some testimony which Mr. Hammerling has given here. While we have already furnished to the committee practically all the information we had, there is, I think, one other matter which may be interesting.

About July 15, 1916, in a letter to Mr. Walter S. Kaufmann, 61 Wall Street, New York City, the following is found:

I herewith hand you a letter for Mr. Hammerling, to be given to him by Mr. Rumely. Would you be kind enough to tell Mr. Rumely not to deliver the letter before receiving a receipt from Mr. Hammerling.

That is all of the letter that is of interest.

Senator NELSON. What is the date of that?

Mr. BIELASKI. July 15, 1916.

Maj. HUMES. From whom was that letter?

Mr. BIELASKI. I think that letter was from Mr. Albert.

Senator OVERMAN. From Mr. Albert, addressed to whom?

Mr. BIELASKI. Addressed to Walter S. Kaufmann, of the firm of Kaufmann & Lindheim, who are Mr. Albert's attorneys.

The carbon of what we assume was the letter to be delivered to Mr. Hammerling reads as follows:

Just a word of appreciation for your friendly interest in the philanthropic work undertaken in America in behalf of the cause of Germany and Austria and of those who suffer from the consequences of this terrible war. I write to assure you that after the war is over I shall report the part that you have taken, and I hope there will be some suitable recognition of your generous activities.

Senator NELSON. That was to Hammerling?

Mr. BIELASKI. Yes; from Albert. I think this sheds some possibly on the motive which prompted Hammerling's activities also sheds some light on the fact that, as claimed by Dr. Rumel, others, they believed that Hammerling was getting no profit of these advertisements, but was doing this as a philanthropic matter.

Before leaving the question altogether of George Sylvester, I think it is interesting to note that he has admitted the receipt of \$250 once or twice a month at irregular intervals through the Austrian consul general, Neuber, from the Austrian Embassy. Dumba was the ambassador—in addition to his German source of income.

I mentioned the Washington Post this morning. It has been suggested that inasmuch as that is a short subject it be disposed of.

Under date of October 17, 1914, in a communication from Ambassador Bernstorff marked "Strictly confidential" for Dernburg, Privy Counselor Albert, after discussing a number of other matters, the following appears:

Senator OVERMAN. What is the date of that?

Mr. BIELASKI. October 17, 1914. [Reading:]

The Washington Post was offered me to-day to buy for \$2,000,000 with intention to buy it back again after the war for one and a half million dollars. A second offer was made to put the paper entirely at our disposal for six months for \$100,000. The paper is of importance as the only large news organ of the capital. How do you stand on the question of the money? I have yet inquired in Berlin.

In Dr. Fuehr's report, of which I made some mention, the following statement appears also with reference to the Washington Post. This was under date of August 2, 1916:

The Washington Post, whose neutral attitude toward the belligerents during the present war has won for it warm recognition from the German side, of late materially changed its tone in questions of European politics, and is fairly on the way to join our enemies. From a reliable source I learn that this change of front is due to the Russian Ambassador in Washington. At the death of its former owner, John R. McLean, the Washington Post, together with the Cincinnati Inquirer, came into the hands of the son of the first mentioned, Ed McLean, on whom his aunt, Madam Bakhmeteff, is said to have great influence. Mr. McLean, jr., inaugurated his ownership by naming as editorial director one Bill Spurgeon, who is said to be a British subject, and nephew of Robert P. Porter, one of the chief leaders of the Northcliffe ring.

Senator OVERMAN. This is signed by whom—Fuehr?

Mr. BIELASKI. That is one of Fuehr's reports.

Senator NELSON. To Bernstorff or to Rumely?

Mr. BIELASKI. To the foreign office.

Senator NELSON. The foreign office of Germany?

Mr. BIELASKI. Yes.

In a communication which has been placed at our disposal by the State Department, dated October 27, 1916, and in the form of a cypher letter from Bernstorff to the foreign office at Berlin, the following appears:

In the official accounts for the first and second quarter of 1916 will be found entries of payments to Mr. Theodore E. Lowe. As to this I have to report that this gentleman is of German origin, and married to a German lady. He owes us his services, as he founded a weekly paper in Washington, the National Courier. This offer came at the time when we were deploring the death of Mr. John R. McLean. This latter had given his newspaper an entirely

English character, so that his death left a great gap which the National Courier can unfortunately never hope to fill. The Washington Post has since been fairly neutral, but may be entirely lost to us if it cannot, as is very desirable, be put into the hands of Mr. Hearst.

I think it should be said that that part of the evidence which relates to the Washington Post and a pro-German attitude goes back to the time of the management prior to its present management, and that since the present management, even according to the testimony of Bernstorff and Fuehr, its attitude has changed.

Senator STERLING. When did the present management of that paper begin?

Mr. BIELASKI. It must have been in 1916, I think; the summer of 1916.

The activities of the Germans also extended to the film field.

Under date of March 1, 1915, a communication was addressed to the German ambassador by Zimmerman of the foreign office, which reads as follows:

BIELASKI EXHIBIT No. 23.

I beg to advise Your Excellency that five copies of a film 1,200 meters long will shortly go to the German Bureau of Information in New York. Furthermore, in a recent journey Belgium undertake by official orders, and to the west front, 800 meters of film were taken, wherein the American correspondent Dawson appeared. The original negative of this film will be sent to New York as soon as possible so that as many copies as desirable may be prepared there.

As propaganda through pictures has shown itself to be remarkably effective in neutral foreign countries, it seems expedient to place this work of publication on a greater basis than heretofore. In order to be able to judge better the extent of the results heretofore obtained in the United States, I beg to ask your Excellency to be good enough to answer the following questions:

(1) Are there headquarters for the entire picture propaganda in the United States?

(2) If yes, how is this place organized and with what material does it work?

(3) To what extent does it seem suited for an extension of the propaganda there?

(4) Have the consignments of photographs and other picture material leaving here twice a week reached there regularly?

In consideration of the fact that the sending of larger packages to the United States at this time encounters insuperable difficulties, the establishment and extension of a central place in New York, organized on a large scale seems imperatively necessary. In this case particularly sharp proofs of all photographs and films received here should be sent in two exemplifications in letter form, by different routes, to the central point in New York. The latter could then, by calling on experts and persons well informed of conditions there—

(1) Have produced from the original photographs there on the spot duplication, enlargement, stereotype plates, illustrated writings and compositions, stereopticon pictures, and so forth; and

(2) Undertake the exhibition of the entire picture and films in the whole country, through agencies to be established in all the larger cities.

I await your kind expression as to this matter with interest.

(Signed) ZIMMERMAN.

Senator OVERMAN. Who was he?

Mr. BIELASKI. He was the secretary of foreign affairs in the German Government, I think.

The American Correspondent Film Corporation was incorporated April 12, 1915, the capital stock being named as \$10,000. Additional articles of incorporation were filed September 30, 1915, increasing the capital stock to \$140,000. The original incorporators were Claussen, Cuthbert W. Jewell, and Marcus Kaufman. The incorpo-

rators, when the capitalization was increased, were Claussen, Fuehr, Felix Malitz, and K. E. Brown.

Senator NELSON. The capitalization was increased, then, Fuehr became connected with it?

Mr. BIELASKI. Yes. We have a copy of the amended by-law; they are very long and are of no particular consequence, except they have a very liberal arrangement for the voting of proxies, which was to be expected in view of the way the stock was held.

At the time of the original organization of the American Correspondent Corporation it had as assets certain Austrian pictures which Claussen had obtained from Dr. Brandes, Austrian consul, and \$5,000 paid in by Albert.

When the capitalization was increased, Albert paid in additional amounts, until we have a record of the payments into this corporation of approximately \$88,000, I think. It is at least something more than \$80,000. Malitz, who was the head of this organization, about whom we can give some more information as to his activities—was convicted on May 4, 1918, with a man named Ernst and was sentenced to two years' imprisonment and to pay a fine of \$5,000 for smuggling rubber out to go to Germany; and it is interesting to note that Saunders, who was a German agent in this country, and who has been convicted of sending spies to Germany, had his office at the American Correspondent Film Corporation.

Maj. HUMES. What other business was Saunders in, and how was he employed?

Mr. BIELASKI. Saunders's principal business in this country was the securing of spies to go to England for the German Government.

Senator NELSON. Who?

Mr. BIELASKI. Albert Saunders and Wunnenberg sent over a number of correspondents to England and to Holland, one of whom has been convicted, and the others have not come back.

Senator NELSON. They were really German spies?

Mr. BIELASKI. They were really German spies; yes, sir.

This report of Dr. Fuehr to Albert, under date of April 20, 1918, gives a statement of the organization of this corporation from the German standpoint. [Reading:]

BIELASKI EXHIBIT No. 23½.

As I had the honor to explain briefly at the session of the Press Bureau on the 12th of this month, it seems settled that an especial registered company be formed to obtain good war films in Germany adapted to propaganda in this country and to circulate the same in the United States.

An undertaking of this kind, the plan for which emanated from Mr. M. Claussen, and which I have sent to Berlin on the 8th of the month under the authorization of the retired Secretary of State, Dr. Dernberg, might correspond to the wishes which find expression in the writ (official announcement) of the Foreign Office No. 42 of March 1st, this year, in regard to the development of film propaganda in the Union which was addressed to the Imperial Embassy in Washington. According to a wireless received here yesterday the plan mentioned has been officially approved in Berlin.

The company, whose incorporation under the firm name "American Correspondence Film Company" has been accomplished today under the provisions of the authorities, is in need of a capital of nominally \$10,000, divided into 1,000 shares at \$10 per share.

The interest of the Imperial Government in this undertaking consists in the fact that the company should not work for the greatest possible financial profit from the disposal of the war films, but lay in the chief emphasis on the greatest possible circulation of them in the most respectable film theatres of the land.

For the realization of the interest mentioned, I assume, after State Secretary (retired) Dr. Dernberg has expressly empowered me, 510 shares and the office of treasurer. Of the remaining 490 shares 200 will be reserved for Mr. M. B. Claussen (president) on the one side, and 200 for the photograph firm, Brown & Dawson, the last mentioned member of which firm is at present in Germany and from now on will set on foot the production of films at the expense of the company) on the other, while the remaining 90 shares will go to film experts here, in order to secure their support for the undertaking.

Since greater expenditures, court costs and the payment of an advance to Dawson in Berlin, are connected with the opening of the company's activities, it is necessary that my contribution to the amount of \$5,100 be paid at once in cash, while in regard to the payment for the shares of the other shareholders, especial arrangements have been made.

May I request your highest therefore, by means of a check drawn in my name, to put at my disposal the designated amount out of official funds.

Although I am, of course, in regard to the designated sum, unable to assume any personal risk, I expressly assure you that the same will be repaid to the Imperial treasury either entirely or in part, in case and as soon as a net profit, on my share in the company, is made according to the semi-annual balance sheet of business done by the American Correspondent Film Company.

FR. FUEHR, *Imperial Interpreter.*

To His Highness Privy Councillor ALBERT,
New York City.

The next document is a long argument, apparently prepared by Fuehr, as to why moving-picture propaganda should be successful.

Senator NELSON. What is the date of that?

Mr. BIELASKI. It does not appear to have a date, but I should judge from certain facts that it was probably about May or June, 1915. It simply argues that of the 100,000,000 inhabitants of the United States half of them go to the movies, and that he has presented a great opportunity for propaganda in this way to Dr. Albert, and recommends the establishment of a small company, outlines how the films can be made, and so on.

Under date of June 30, 1915, Mr. Fuehr wrote a communication to Albert in which he says that in his capacity as secretary of the American Correspondent Film Co. he has the honor to lay before him a loan contract. [Reading:]

BIELASKI EXHIBIT No. 24.

In regard to the loan of \$20,000 kindly promised by you. Since I, according to the last agreement, retain only 31 shares for which I set down to my account \$3,100 out of the earlier \$5,100 kindly placed by you at my disposal for this purpose, this loan amounts, with a further \$2,000 to \$22,000.

In addition to the half of the net profits which are to be assigned to you by the company according to agreement, I have of course to transfer to you that share in the profits which accrue to the 31 shares standing in my name, until the total of \$25,100 advanced by you is entirely paid back. I have not considered it advisable to make mention of this obligation in the contract, but I should be loath to omit expressly making this explanation here.

With loyal greetings, your obedient servant,

A. FUEHR.

Under date of August 30, 1915, Felix Malitz writes to Fuehr about the enlargement of this undertaking, and he at some length points

out what is necessary to be done to give the film business wide circulation, and so on. He says among other things that it—

will prove to be an immense propaganda, and will do more for the future ing up of German interests in North and South America, and for the development of German political and commercial influence in this hemisphere than newspaper propaganda or any other means.

And he tells Dr. Fuehr what a good man he is and how well he can handle the matter.

He says, among other things:

I have now been running this matter through my head day and night, considered every point, and under the circumstances I believe as the matter now stands today the sum of \$50,000 which was named to you the other day is actually too low. Of course as you undoubtedly understand concerning this would mean, not an expenditure but an investment of capital.

I have here a copy of the amended by-laws under date of September 15, 1915.

Under date of September 29, 1915, Dr. Fuehr, communicating with Albert, mentioned the terms on which the enlarged arrangement was to be made. He says:

Mr. Kaufmann sent to me yesterday evening the enclosed sketch of an agreement with Malitz on the basis of the arrangement agreed upon by Mr. Kaufmann's office day before yesterday. I humbly request you to examine the agreement and in case no objection arises, to send it to Mr. Kaufmann as possible today.

The chief points in regard to which I should like to beg for your agreement I have marked with lead pencil on the sketch of the contract. The following points are involved:

(1) A finance committee will be appointed to whom is reserved (the right of) later transferring to Malitz the exclusive right of signing checks;

(2) Malitz shall have the right of going off on a furlough for 30 days a year.

(3) Malitz puts up \$10,000 security.

(4) In case the preferred dividends of 5 per cent are not paid, the contract will Malitz can be cancelled at any time, but—at his urgent wish—only after a six weeks' announcement.

(5) In case the company is dissolved, although the preferred dividend has been paid, Malitz stipulates for himself, in accordance with Article 15, an indemnity which shall consist of a year's salary and of the last royalty granted to him. Mr. Kaufman characterized this demand as fair; to me it seems somewhat heavy.

I remark in conclusion that this contract with Malitz is the crux of the negotiations. As soon as we have a clear understanding with Malitz, the various points of reorganization will cause no further difficulties, although an enormous amount of writing is bound up with it.

And he asks for Albert's approval to the plan.

Under date of April 4, 1916, is a communication to Dr. H. Schweitzer in respect to becoming an officer of the concern.

There is a great deal of correspondence here which only tends to reiterate the interest of the German Government in the organization.

Mr. Malitz, under date of September 29, 1915, asks them to send the \$50,000 over to him right away.

Here is a memorandum having to do with the business, which shows some of the difficulties of the undertaking and what is intended to do. [Reading:]

BIELASKI EXHIBIT No. 24.

The pictures, which are at our disposal, are of two kinds:

War pictures.

Industrial and "kultur" pictures.

While the war pictures are easily accepted by the patrons the latter in general refuse industrial and kultur pictures. With the greatest caution and great skill very small numbers of the latter pictures together with the former can be sold to the public.

In spite of the fact that the war pictures can be easily disposed of, it appears, that even with these pictures no profitable business can be carried on. This is not merely the experience of our business, but also the experience of the Chicago Tribune when the latter went into the market with its pictures, and also the experience of the Hearst newspapers and of the New York World. Our own experience in Chicago shows best that the business, even with the best war pictures, does not pay. We rented a theater there for four weeks, and although the attendance on the first day was phenomenal it soon sagged so that on Friday of the first week it no longer paid to continue the performances and the theater was given up for the remaining three weeks.

This fact, of course, renders every educational result, which was to be attained with the industrial and "kultur" pictures nil. The infinitesimal number of industrial and "kultur" pictures which can be worked in with the interesting war pictures, admit per se of very little educational results. If the public takes a negative attitude toward these interesting war pictures with the tiny addition of industrial and "kultur" pictures the presentation of these interesting war pictures have of course, no or very little educational value.

On the other hand the industrial and "kultur" pictures alone can not be brought before the public at all and under the circumstances possess for us no educational value. From whatever viewpoint the matter is considered we can not avoid the conclusion that neither the one nor the other picture has attained an educational result and that we will only load ourselves with great expenses in carrying on the picture business longer. With all it seems to be a matter of indifference, whether the most interesting war pictures are obtained or not; for it can not be denied, that our war pictures which were produced in Chicago, the war pictures of the Chicago Tribune, of the Hearst newspapers and of the New York World were exceedingly interesting.

As a solution it is proposed that our own theatres to which the pictures can be sent, be erected in fifteen large cities of the United States and that the same be carried on in competition with the so-called "exchanges" already existing. In any case it would be much easier for these theatres of our own to bring industrial "kultur" pictures before the public, since these theaters would often succeed in mixing the pictures to be lent with the one or the other industrial or "kultur" pictures. We would then be in the position to make money with the general picture business which is being carried on and by smuggling in industrial and "kultur" pictures to attain educational results. Besides this would have the great result that after the war this chain of loan picture theatres would exist and could at once be utilized for the German manufacturers of pictures. This would have great educational value in the future.

The only disadvantage in it, is that this plan costs much money. According to figures spread before us such an undertaking would demand at once \$200,000 capital. If it were possible to obtain this money from the general investing public and to assure ourselves in some way or other of the control of the fifteen loan picture theatres for the future, then this would be in any case, a brilliant stroke.

If, however, even the \$200,000 should be raised, it is still a question whether it is worth while to build up such a big business undertaking, in order to assure ourselves of the educational effect of the pictures during and after the war.

Besides it must be further considered, that the sale for pictures during the war is difficult and uncertain, and that the educational result to be obtained during the war is only a very insignificant one. On the other hand it cannot be denied that the educational result after the war would be a very great one.

Under date of November 14, 1915, a report was made to Dr. Schumacher, division picture exchange, central exchange for foreign service, Wilhelmstrasse 62, Berlin, in which he gives a report to the foreign office concerning the performances of their films in the theaters. It is very long, and describes the theaters where they were held and the names of the films. It makes reference to Edward Lyell Fox, who was a newspaper correspondent abroad, in Germany,

in the pay of the German Government, and also in the pay of American Correspondent Film Corporation, which was, of course, financed by Germany.

Some of the films which they produced were:

BIELASKI EXHIBIT No. 25.

With the Camera at the Front.

With the Army of the Crown Prince before Verdun.

The Armies of Germany, Austria-Hungary, England, France, Russia and Italy.

On the Beautiful Blue Danube.

Bosnia and Dalmatia.

Manœuvres of Montenegrin Troops.

Explosion of Mines.

A Trip in a Zeppelin.

Explosion of a Battleship.

And a number of others which he mentions.

Here is an interesting paragraph:

In regard to the reasons for the shipwreck of our combination with Hearst we have already taken the liberty to write in detail and you can imagine how much we must regret this not only with regard to the general interest of the cause, but also from the viewpoint of the moral and material success of our company.

They had negotiations with Mr. Hearst for the taking of his films and they wanted Hearst to take all of his films through this American Correspondent Film Co. and pay them a royalty, which Hearst did not care to do. He wanted to have his own men make the films, and handle it himself. This report continues:

After the shipwreck of our plans with Hearst, we have, as mentioned above, looked around for other combinations and have made two such upon which we set at least as much hope in regard to the further circulation of our films as we would have set upon the Hearst people.

One of these two combinations rests on the use of one of the largest and finest theaters there, the Park Theatre, at the corner of Broadway and Central Park, at one of the most prominent and elegant points in the city. The other combination is of much greater compass and extends over the whole of the United States and with one of the important competitors of Hearst, Norman E. Mack, who likewise controls many newspapers directly and indirectly, this a far-reaching system of advertisement is assured. In combination with several of the greatest theatres of the United States. In these combinations we have the advantage that we control the pictures, the titles, and the advertisement completely.

But we were only able to force through this combination, by giving the people to understand that we have a monopoly of the official German films, for otherwise no one of these big people would have any heart for the matter. At the moment we still have a pretty interesting film (to be sure, alas to God, not a particle of a real German war film) but if we do not soon get some more living pictures then these combinations will not be of great value to us. The cause will again droop and fade for no great noise can be made over these pretty landscape pictures which Mr. Fox up till now has received permission to take in Germany. * * *

You can easily imagine, dear Doctor, that we would only make ourselves ridiculous with such "war pictures" for our whole strength here rests on the point that we assert, and are able to assert, that we get the official German historical films.

We thank you for the "cover address." If we may be permitted, we would suggest that you give us a more exotic-sounding name, since an address like Hans Kurth will very very probably at once draw down upon us the attention of investigating officials.

With the highest regard, yours truly,

THE AMERICAN CORRESPONDENT FILM COMPANY INC.,
F. MALITZ, General Manager.

Under date of November, 1915, is a draft of a message prepared to be sent by Bernstorff to Bethmann-Holweg. Whether or not it was sent I do not know. The draft was sent into the embassy with the indorsement of Albert. [Reading:]

In my opinion this memorandum can be sent without being coded if a good cover address is chosen. If necessary I will be ready to have the shipment made upon my part to my confidential people, for whom thus far every letter has been delivered.

Senator NELSON. Have you any information to show who this fellow was to whom every letter was delivered?

Mr. BIELASKI. I think so. As will appear from this very file they had an arrangement with the head steward of the *Bergensfjord* and of the sister ship the *Christianiafjord* for the carrying of film, messages, and so on. One of these men, I think, was convicted and the other committed suicide.

Senator NELSON. That is my recollection.

Mr. BIELASKI. Here is a review of the moving-picture situation. It is a long report which is interesting, if it did not take too much time to read it. It tells about the organization, tells how it was done, reviews the films, and the great competency of Malitz, and the great necessity for getting the proper kind of film to get, over in Germany, allowing representatives of this concern to have the opportunity to take the pictures.

There is a trial balance of the condition of the company October 31, 1915, which shows this fact: Private ledger account, money paid in, \$78,600. That was the money paid in by the German Government. It had advanced to Malitz and Claussen considerable money. It had advanced to Edward Lyell Fox \$4,105.90, and money to Dawson, who was, I think, of the firm of Dawson & Brown, of Stamford, Conn., who developed the films sent over here, Dawson taking it over on the other side.

Here is a long list of expenses which they were put to for advertising and attorneys' fees and office supplies and all that sort of thing, giving a detailed report for the benefit of the German representatives.

Here is a telegram from Berlin, dated November 23, 1915, to the imperial ambassador at Washington, which says:

The report of your Excellency, A 501, concerning film propaganda, was received here following shortly after the telegram relating thereto.

We assume that was a report that was drafted here.

It was indeed admitted that the granting of a monopoly to the American Correspondent Film Company offers certain advantages. It is not advisable however, entirely to eliminate for the Central Powers the enterprising sort of newspapers there, as shown in the sending of their own agents to take films. As a matter of fact a systematic attempt will be made to furnish the A. C. F. C. with as interesting and rich material as possible, and to give its representatives a favored position, but exceptions must be made in favor of those who

may be expected to make a stronger impression on the public than is possible with the A. C. F. C., whose connection with the German propaganda can hardly remain concealed.

Under date of December 3, 1915, Dr. Fuehr makes a further report on the present status of the film business, and makes some comments in which he says:

Our opponents now seem to have recognized the effectiveness of this propaganda and are exhibiting films from their fronts here which do not fail to make an impression, with extraordinary outlays for expensive advertising under the patronage of the highest personalities. Some of the films exhibited are quite excellent; others are obviously "maneuver pictures," which, however, have a thrilling effect upon the public. As mentioned in the newspaper herewith enclosed, among other features the King of the Belgians, Gen. Joffre, the King of England, the Prince of Wales, Field Marshal French and other generals appear upon the films; cavalry attacks are ridden; field and other artilleries are shown in action; great divisions of infantry make an attack in a real landscape and in the meantime one sees an abundance of details behind the front.

Would it not be possible to secure similar pictures of our fronts for distribution to the American Correspondent Film Company? We have far more experienced men to introduce than any of our opponents; we have the most varied fronts; we have a much grander organization. Our "correspondents" Fox and Dawson, have been able heretofore, however, to send us but few films of this kind. With the films which we have heretofore received, mostly from Austria and much fewer from Germany, our business manager, with a high regard worthy of recognition, has made up four good film dramas; but there is no doubt that he would do much better if our people were given more opportunity to take interesting views.

I therefore take the liberty to apply most respectfully to Your Excellency with the request that you will most graciously secure for our efforts the greatest possible recognition of the home military authorities. If your Excellency would have the kindness to call the attention of the leading officials to the fact that the distribution of interesting war films in America is not a concession to the well known American necessity for sensation, but is of an eminent practical significance for Germany, we may perhaps hope that we will receive some more "actual" films than we have been able to secure heretofore.

I assume that our people, Fox and Dawson, have succeeded in winning the confidence of the military circles in question. If this assumption should be justified and a change of agents should appear desirable, the American Correspondent Film Company will, of course, be ready at any time to send our correspondents to Germany, and I may respectfully suggest that in such a radiogram to that effect be sent me through Consul General Thiel.

With the greatest deference and sincere veneration, I am highly honored,
Herr Ambassador, Your Excellency's very obedient,

(Signed)

The above letter is shown by the initial signed to it to have been written by Dr. K. A. Fuehr.

Here is a letter which gives an idea as to the way they get the films over and get the letters over. It is a letter dated December 19, 1915, addressed to Mr. J. Everitt, Witts Hotel, Berlin, Germany. It reads as follows:

BIELASKI EXHIBIT No. 251.

MY DEAR MR. EVERITT: We herewith wish to give you a good tip for reception of letters and raw negative, and for the shipping of films to us.

We are afraid that it will be more and more difficult to get the stuff over here. So much more as the Danish line by which you have shipped via Copenhagen does not seem to be very safe any more.

We think we have now the best means in hand to assure a safe arrival of our stuff. Mr. Malitz namely is well acquainted with the head stewards of the Norwegian steamers *Bergensfjord* and *Christianafjord*, who are both very nice gentlemen and whose position on the only two steamers actually running

between Europe and America which are, so to say, free from molestation, gives us assurances that they are the best men to properly take care of our stuff.

We will send you in future by means of these gentlemen copies of our letters and also a bunch of newspapers, magazines, etc.

We will also try if it is possible by these means to properly provide you with raw negative films. In fact, these gentlemen can leave these packages in care of somebody in Christiania where you, being a Swede, can easily go from time to time and take the stuff over.

There might be also some stuff for Mr. Dawson and in order to avoid two men going over there we would ask you to kindly also take Mr. Dawson's stuff along and send it to him.

The same thing can be done for the films and photographs you and Mr. Dawson want to ship to us.

We give you in the enclosure a list of chemicals which we also request you to buy in Germany—a suitable quantity—and which please hand to these gentlemen to take along for us.

It is very easy for you to find out the dates of arrivals from America and sailings to America of the steamers *Bergensfjord* and *Christianafford* and then you can arrange that you go over to receive any packages that we might have sent for you, and Mr. Dawson, and to give to those gentlemen any packages that you want to send to us, also copies of correspondence, consular invoices, etc.

Of course, it will be a good thing to ship everything under neutral cover and envelope without any names of senders.

As you will have noticed from our letters, we always do number them, which we think enables you to check up whether you receive all our letters and if you please number yours we then in a position to check up all the letters which we receive from you.

With nothing more for today, we are, my dear Mr. Elliott, with best regards,
Yours very truly,

THE AMERICAN CORRESPONDENT FILM COMPANY INC.
F. M., *General manager.*

Here is a financial statement of the film corporation.

Senator STERLING. What were those films, for the most part?

Mr. BIELASKI. For the most part the ones that they wanted, most desirable, were war pictures taken at the front. Of course, as you see from the correspondence, they tried to work into them what they called industrial and culture pictures; that is, pro-German pictures that would advance German ideas.

Senator OVERMAN. Were they extensively shown in this country?

Mr. BIELASKI. They were shown quite a bit. Some of these reports that I did not read in detail show where they were shown and what the films were and how much they paid out to have them made, and so on.

Senator NELSON. Were any of them shown in this city?

Mr. BIELASKI. I do not know that. I did not notice.

Senator STERLING. Were the war pictures to show the strength of the German Army?

Mr. BIELASKI. Yes; to show the strength, the victories, the invincible character of the German troops, and so on.

January 28, 1916, in a letter to Dr. Schumacher, Wilhelmstrasse 62, Berlin. Dr. Schumacher seems to have been the head of the film division over there. This is a letter from Malitz, and says:

BIELASKI EXHIBIT No. 26.

We take the liberty to introduce to you herewith Herr Ernst A. Schirmer, who is an absolutely confidential man of ours, and who has been good enough to declare himself ready, under the present transportation difficulties, to see to it that our films get here, and he will either look after it himself so far as his time will permit or introduce to you for this purpose some properly qualified and confidential person located in Norway.

Therefore you will please have the kindness to arrange matters so that films, letters, etc., are made ready for us in time before the alternate sailings of Norwegian steamers *Bergensfjord* and *Christianafford*, so that either Herr Schirmer or the other said confidential person may get them in Berlin and bring them on board the ships. We have friends on board these ships who attend to transportation and delivery in New York.

We hope that in this manner we can establish a regular service between Berlin and New York, and that we can promptly be provided with films.

You will perhaps be kind enough to instruct Everit and Dawson accordingly so that everything may work smoothly.

Relative to the compensation for the services which Herr Schirmer or confidential friend may render us, and the expenses these gentlemen may incur in connection therewith, we ask you to arrange these matters with them as you think best, pay the money for us and charge it to our account.

With thanks, etc.

(Signed) F. MALITZ

In another letter dated January 28, also addressed to this I. Schumacher, Malitz said further:

BIELASKI EXHIBIT No. 27.

We have given to Mr. Ernst A. Schirmer a letter of introduction to you. We hope that through him and eventually through a Mr. Anderson who is connected with him, and who also sails on the *Christianafford*, a regular delivery service may be established for us between Berlin and Bergen.

In the strictest confidence we take the liberty to inform you that the respectfully undersigned, Herr Malitz, is a personal friend of the two chief stewards of the Norwegian steamers, Baadtoft of the *Bergensfjord* and Toft of the *Christianafford*, and that these gentlemen, since the matter of transportation has grown to be more or less of a problem, have been kind enough to take our unfinished negative films over there for our operatives and bring the finished films back here. This, of course, will be no smuggling or anything of the sort for we would be glad to pay any sort of freight. We only desire, with the help of these gentlemen, to prevent those negatives from being seized by any belligerent power on the high seas, as these gentlemen doubtless have ways and means for bringing things through that an ordinary passenger does not have. By this route you may also send us letters in neutral envelopes, etc. It is only necessary to arrange to take the things on the arrival of the steamer in Bergen and send them to Berlin, and at the same time to have letters, etc. in Berlin ready so that upon the arrival of the courier they may be taken by him to Norway before the sailing of the steamers. Of course this must all be done very quietly, and Herr Schirmer and Herr Anderson have offered to arrange such service for us. We would appreciate it very much if you would facilitate the work of these gentlemen and thereby enable us to get good films regularly as has not been the case for many months past as elsewhere mentioned.

We have advanced \$200 to Herr Schirmer for compensation and expenses, and if anything more is necessary, you will perhaps be kind enough to expense it for us.

On former occasions, and now with the last sailing of the *Bergensfjord*, we have sent letters and packages to Herr Baadtoft.

With best regards, we remain,

Very respectfully,

(Signed) THE AMERICAN CORRESPONDENCE FILM CO., INC.
F. MALITZ, General Manager.

Senator NELSON. What did they pay these stewards?

Mr. BIELASKI. They say there they paid him \$200, and told them to give him more. I do not know the exact amount.

Here is another letter from Fuehr to Baron Mumm von Schwarzenstein, of the foreign office in Berlin, dated January 28, 1916, in which Fuehr says:

BIELASKI EXHIBIT No. 28.

For sometime past our film company has not received any new materials from Germany which we need very much. It may well be assumed that shipments of films have been captured by the British who are now systematically robbing the mail.

A perfectly safe opportunity for the sending of new materials over here is offered through the bearer of this letter whose address there is in care of the member Chamber of Accounts, J. Allenbeck, as is known in the Treasury Department of Interior, and who will shortly return here. He has intimate friends among the officers of all Scandinavian steamers to whom he delivers things to be sent, which have been confided to him so that their capture even in a search of the passengers is not to be feared.

I would be extraordinarily thankful if Your Excellency would be kind enough to cause the officials in question upon this occasion to send here as abundant supply as possible of "actual" war films.

With sincere esteem,

ALEXANDER FUEHR.

Senator NELSON. Was he here in Washington?

Mr. BIELASKI. J. Allenbeck? No, sir; I take it he was abroad.

Here is another detailed statement under date of February 16, 1916, as to the then arrangement for handling films and payments and so on.

There is some more about the financing of the operation.

Under date of March 14, 1916, Malitz submitted to Albert a proposal for the establishment of a moving picture exchange in the United States. Apparently it never came to anything. March 17 Malitz asks Albert for another \$20,000 or \$25,000.

Here is a letter from the other side, showing the sending of films. It is dated Bergen, April 5, 1916, addressed to the American Correspondent Film Co., 220 West Forty-second Street, New York, and reads as follows:

BIELASKI EXHIBIT No. 29.

GENTLEMEN: Sending today by a friend on the *Christianafford* who happens to be going to New York the following three packages:

One package containing 1,000 meters developed movie negative film.

One package containing developed 6'2 by 8'2 plates.

One package of letters. Please mail them to the proper addresses.

I am giving the bearer of those three packages 20 Danish kronen, which is about the equivalent of \$6. If you wish to give him more you may do so, depending upon whatever arrangement you have made.

Respectfully,

ALBERT K. DAWSON.

Here is a letter the date of which I do not see, but it must have been some time early in 1916, apparently a letter to the imperial ambassador, Count Bernstorff, at Washington, D. C., from High Privy Counsellor Albert. It says:

BIELASKI EXHIBIT No. 30.

With the respectful suggestion most graciously to advise the Herr Imperial Minister in Mexico City that his plan for the introduction of German moving pictures into Mexico for exhibition in the film theatres there will be pushed from here as much as possible.

The American Correspondent Film Company, 220 W. 42nd Street, New York City, with regard to the object outlined by Herr von Eckhardt, is willing to dispose of the excellent films on the local market as cheaply that—aside from the costs of transportation,—the stated maximum price of 8 pfennigs per running meter. The business manager, Herr Malitz, informs me that not long ago a complete film advance, "The Battle of Przemyśl," of 5,000 feet, was sold in Mexico, and in fact to the firm of Alvarez y Arondo in Vera Cruz. There are still three other large original film dramas, feature films as well as numerous small pictures, to be disposed of by the company.

In May, 1916, is a proposal for the dissolution of the American Film Corporation. It does not pay, and they do not think it is

worthy to continue it, and they practically transfer it to Mr. Albert. They get rid of their liabilities, and get back none of the money they have paid in. There is a great deal more of general memoranda about the films, and Dr. Fuehr.

Senator STERLING. Were not those films subject to seizure, or liable to be seized?

Mr. BIELASKI. As having been smuggled in?

Senator STERLING. As having been smuggled in.

Mr. BIELASKI. One of the letters shows that with every bunch of film they sent they sent along a consular invoice. They did not intend to smuggle them in. They meant to smuggle them past the British and then apparently to declare them here. It was before we went to war. One of the letters of instruction was to send consular invoices with them.

It appears that throughout the period of his stay in this country, Privy Counsellor Albert and also his associates frequently consulted with Mr. Samuel Untermyer, of New York, on propaganda matters.

January 12, 1915, Mr. Viereck wrote Dr. Albert as follows:

BIELASKI EXHIBIT No. 31.

DEAR DR. ALBERT: I had a long talk with Samuel Untermyer who is strong on our side and will write an article in support of our contention, for the New York Times. He will also take up the matter with President Wilson.

In order to enable him to do this work well, from a lawyer's point of view, he must have all the material possible on the subject. I enclose a list which I have sent to Dr. Hale from which you may see just what he must have. Anything that you can add to making the list more complete will be of help to him as well as to us.

Then there is a letter to Dr. Hale of the same date, January 12, 1915. [Reading:]

BIELASKI EXHIBIT No. 32.

DEAR DR. HALE: Mr. Samuel Untermyer would like to obtain as soon as possible for his lawyer's brief in favor of our contention the following:

1. Rules laid down by Hague Convention.
2. Rules laid down by convention of London.
3. Quotations from international law on the question.
4. Proofs of interference with American shipping.
5. The text of our protest to Great Britain and the text of Great Britain's answer.
6. Whatever literature you may have on the subject.
7. Up to date list of all shipments seized (food, cotton etc).
8. Difficulties placed in the way of American shipping indirectly.
9. Precedent established by ourselves both in favor and against our present contention.

I would like to get these things tomorrow if possible. You can get in touch with Dr. Albert and see that he supplies whatever lists he has. Dr. Dernburg suggests that we should also send Untermyer his speech on neutralizing the ocean.

If anything in this note is not clear will you please call me up at my home 6510 Riverside.

Sincerely yours,

G. S. VIERECK.

Dr. Hale and Viereck also conferred with Mr. Untermyer on the general subject, one of the conferences being held in Mr. Untermyer's residence in April, 1915.

Early in August, 1915, the New York World published an exposure of certain correspondence which had come into its possession and

which had been obtained from the private papers of Counselor Albert.

On August 20, 1915, Albert issued a long public statement attempting to minimize the importance of these revelations, and in which he said, among other things, that it was not true that an effort had been made at any time secretly to influence American public opinion.

One of the things which he said in this newspaper statement was:

As to the so-called German information service and the alleged newspaper propaganda:

It is not true that an effort has at any time been secretly made to influence American public opinion. The existence of the German information service was publicly announced to all the leading newspapers of the country upon its inauguration in October last and has been well known to the public ever since. It was founded for the purpose, as then stated, of counteracting the partisan news service that up to that time had been coming via England in which the happenings of the war and the conditions in European countries were being grossly misrepresented, to the injury of Germany.

The Embassy, which has a natural and legitimate interest that desirable information regarding Germany should be made available to the press of this country, has always openly assisted that service by giving it access to authentic news items and official reports. Germany is and has been avowedly and anxiously seeking, and will continue to seek, for its cause, the moral support of America and of the other neutral countries of the world.

Senator NELSON. What are you reading from?

Mr. BIELASKI. From Albert's statement in the New York World of August 20, 1915. You see he deliberately conceals absolutely the fact that the German Government was financing, directing, and controlling in every way the German information service. That is a fair sample of the truthfulness of many of the other statements contained in his article.

Maj. HUMES. Just in that connection, you are reading from the New York World of Friday, August 20, 1915. What event in the war occurred just at that time, that happens to be reported in that same paper?

Mr. BIELASKI. The sinking of the *Arabic*, on the very same day.

With respect to that statement, you will recall that among the letters taken from Mr. Archibald by the English and made public, was one from Ambassador Dumba, dated August 20, 1915, in which Mr. Dumba, after stating that Bernstorff had made no comment on the publication, said:

On the other hand, Privy Councillor Albert published in the newspapers a very cleverly worded explanation, the tenor of which I venture to submit to your Excellency in an enclosure.

Capt. von Papen on the same day, writing to his wife concerning the publication of this document, states:

You can picture yourself the sensation of the Americans. Well, one must after all have things go like this. The answer of Albert I am sending you herewith, so that you may see how we defend ourselves. The document we drew up together yesterday.

On the same day that this statement appeared in the newspapers, namely, August 20, 1915, Dr. Albert wrote to Mr. Undermyer inclosing a draft of a note which he said he wanted to write to the State Department, asking Mr. Undermyer's opinion of it, asking for his ideas, and pointing out to him that the matter must be treated absolutely confidentially. That was a draft of a note about some matter

of which we do not know the subject, which he was submitting to Untermyer, to advise him as to the form it should take, to present to the American Department of State. In that letter he says in a separate paragraph:

I have heard very flattering comments on the statement. I know to whom they are addressed. I do think it was the right thing to come out.

Whether or not that relates to the statement which Dr. Albert made public on that date, and whether or not it shows that Untermyer prepared that statement, is a question of deduction. There is no absolute proof one way or the other.

Senator STERLING. What is the date of that.

Mr. BIELASKI. That is August 20, the date that the statement appeared.

It also appeared that Mr. Untermyer later undertook to acquire for the Germans control of an important metropolitan newspaper. The following letter deals with the subject. It is on the letter paper of Guggenheimer, Untermyer & Marshal, No. 37 Wall Street, New York, but appears to have been written from the houseboat *Ostia* and is dated Miami, Fla., February 19, 1916.

It reads as follows:

BIELASKI EXHIBIT No. 33.

Dr. H. A. ALBERT,

Care of Hamburg-American Line,

45 Broadway, New York City.

DEAR DR. ALBERT: I have received word that our opportunity has now arrived to acquire that morning and evening paper about which we have been talking and that it can be had at a price slightly under \$2,000,000 for five sixths of the capital stock, which includes valuable real estate on Park Road but that action must be taken immediately.

Under proper conditions my friends would be willing to take a one-fourth interest, provided some arrangement could be made giving them the option to acquire the majority interest at a future date, say after the lapse of one or two years from the close of the war, which would afford every opportunity that could be possibly wanted. I understand that the project is now breaking about even—that is, that it is neither losing nor making money; but my friends are satisfied that it can be made a substantial earner and I am disposed to agree with them.

I shall be glad to hear from you as to whether you are now in position to take up this subject seriously and promptly with me and bring it to a conclusion, if, as I believe, the terms are advantageous.

I expect to leave here on the 28th, spending the forenoon of March 1st in Washington and reaching New York that night. I shall probably have to leave about March 8th or 10th for South America as a member of the International High Commission, of which Secretary McAdoo is chairman.

Sincerely yours,

SAMUEL UNTERMYER.

The name of that paper is not mentioned here, but we understand it to be the New York Sun, which answers the description, and we also understand from other testimony that an approach was made to the Sun by a man acting on behalf of Mr. Untermyer to ascertain the terms on which it could be obtained.

To that letter a reply was made dated February 23, 1916, reading as follows:

BIELASKI EXHIBIT No. 34.

MY DEAR MR. UNTERMYER: With reference to your letter of February 19, which I received yesterday afternoon, I have sent at once a cipher cable to Berlin asking for authorization to take up the subject. I expect to have a

answer by March first, so we can discuss the question as soon as you return to New York. I thank you very much for the interest you have taken in the matter.

At the same time I must congratulate you on the most interesting trip you intend to make to South America, and on your nomination as a member of the International High Commission.

With respect to other activities of the same sort it appears from entries in the diary kept by Dr. Fuehr, which we have, that he conferred with Mr. Untermeyer on what he described as press matters, Dr. Fuehr having, as I said, the actual control for the German Government of the press and propaganda bureau.

There is another matter about which we have no definite information, but it possibly suggests an inquiry in that connection, that in connection with the Jewish propaganda in the United States on behalf of the German Government the Yiddish paper *Die Wahrheit* appears to have undergone some sort of a financial reorganization, and the sum of about \$50,000 was involved.

The *Die Wahrheit* Publishing Co. was incorporated November 3, 1905, under the laws of the State of New York to publish the Yiddish Daily *Wahrheit*; authorized capital \$30,000, of which \$28,700 was originally issued. Of the latter \$1,200 was returned to the treasury, leaving \$27,500 outstanding.

The incorporators were Louis E. Miller, president until 1915; Herman Paley, treasurer until 1915, and Peter Schmukler, treasurer until 1915.

In November, 1914, Miller being unable to get Schmukler out resigned as acting editor on being refused increased compensation of \$5,000 per annum and Mr. Gonikman took his place as editor.

In January, 1915, Miller resigned as president and director, while still holding 130 out of 280 shares then outstanding and was succeeded as president by Herman Paley, former treasurer, who was succeeded in his office by Peter Schmukler.

In January, 1915, Miller appears to have indorsed his stock in blank and is said to have started an opposition paper. The *Leader*, borrowing, it is said, \$50,000.

Herman Paley, who was one of the original incorporators of 1915, stated that he went to Judge Aaron J. Levy to interest him in an attempt to buy Miller's stock and Judge Levy was to try and get the backing of Samuel Untermeyer on account of their strong friendship. That this was done and arrangements made that as soon as Miller would consent to sell his 130 shares, Untermeyer was to put up \$35,000, Levy \$5,000, and Paley \$10,000; that before Untermeyer left on a trip to South America he left word with his secretary, Harry Hoffman, to let Levy and Paley have \$35,000 when negotiations were concluded; that on May 5, 1916, the whole affair was concluded, each putting up their share. Harry Hoffman, Untermeyer's secretary, attending to the details of taking up Miller's note.

Unless it can be established that Untermeyer advanced the \$35,000 for or on account of someone else the whole transaction appears entirely legitimate.

Whether Mr. Untermeyer advanced that amount from his own funds or from funds secured elsewhere I have no idea. The only suggestion to the contrary is a report which reached us through British secret-service sources that it was for the purpose of German

propaganda. That report, however, did not contain anything in way of evidence to substantiate such an inference.

On the general question of Jewish propaganda in the United States, Dr. Strauss, who, as I stated this morning, was a member of the original mission of which Dernburg was the head and Albert member, came here for the special purpose of handling Jewish propaganda. It appears to have been the idea of the Germans at that time that inasmuch as Russia was fighting against Germany, the Jews would naturally affiliate with Germany, Russia having oppressed them for many years. Dr. Strauss devoted himself to that work.

One of the first communications that throws any light on the activities is a letter dated October 20, 1914, addressed to Dr. Albert [Reading:]

BIELASKI EXHIBIT No. 35.

Confidential.

DEAR DR. ALBERT: I take the liberty to inform you that my office is located dating from yesterday, at 74 W. 85th Street, telephone Schuyler 6536, where Dr. Melamed is also located.

The manipulation of the Jewish press in America, formerly casual, has now been changed by me into a regular, systematic information service and organized on a firm basis. This was extremely necessary, considering the peculiar nature of the Jewish press and the difficult conditions in other countries, where Jews have not full citizenship. A confirmation of this opinion is furnished by the following article from the Warheit, of which I spoke to you recently. You see how the pro-German attitude of the Jews here has put the Times into a tremendous rage.

The Bureau began business yesterday, and I spend several hours there daily. Dr. Melamed works according to my instructions and under my supervision.

So far as the material is at our disposal, we are to furnish it also to the bureaus of the English-(language) press. In addition we shall furnish you two editorials weekly. The first is being dispatched today to Mr. Fuehr.

The expenses which this bureau will occasion—outside of Dr. M's salary—are likely to be very slight. I shall not be able to tell you under two or three weeks just how much more will be required for this service. I have advanced personally the expenses so far occasioned. In case you should have received in the meantime any more German papers, I should be very grateful if you would send them to the above address.

This apparently was a Jewish offshoot of the press bureau, just like the Irish also.

That letter is signed by one of two men, but the signature is so illegible that we are not certain just who signed it. We have the original letter, however.

Here is another letter dated New York, April 27, 1915, the subject of which is stated to be "S. M. Melamed, journalistic activities." It is addressed to the imperial embassy, Washington, D. C., and is from the imperial general consul of the German empire at New York. It contains some information about Jewish propaganda. It is as follows:

BIELASKI EXHIBIT No. 36.

I have the honor to submit an article from the pen of the Jewish journalist S. M. Melamed, which was published in the Globe on the 23rd day of April, and which article refers to the treatise on the Polish legions, which appeared on the 16th of April in the same paper.

This article was published through official exertion here, and originates with Count Dziedurzycki, Imperial Military Attache in Madrid.

The journalist S. M. Melamed came a few months ago to America, is associated with the German Literary Bureau conducted by Dr. Fuehr and according to statements of the letter is financially aided by the German Embassy.

Mr. Melamed has published several articles about the political situation at that time, in which he portrays the Polenism in Austria as thoroughly Russophile and traitorous. Such descriptions, which on the assertion that for certain Mr. Bilinski because of Russophile activities was arrested rise to absurdity, are inclined to appear to the reader of the inner political relations of the monarchy gloomy, and cannot fail to produce an injurious effect upon the Poles here.

Mr. Melamed appeared here personally, and received the assurance that we would at all times be prepared to give him particulars. He, however, made no use of this, except in a few cases, in which in spite of received information he made erroneous statements.

Mr. Melamed, who is saturated with Zionistic aspirations, pushes his objective through his journalistic activity, without consideration for cooperation with reference to the interest of Austria Hungary.

I therefore have the honor to respectfully beg to suggest to the Embassy to take the proper steps to hinder such activities of Mr. Melamed as work directly against our endeavors.

(Signed) THE IMPERIAL GENERAL CONSUL.

Here is a letter which does not seem to be dated, but is on the letterhead of Dr. M. S. Melamed, journalist, 74 West 85th Street. It is headed "Report of Activities." It is as follows:

BIELASKI EXHIBIT No. 37.

During the past four weeks the following articles have been sent to the papers named:

1. Germanic peoples and Jews (Juedisches Volk.)
2. Soldier-psychology (Zukunft).
3. Field and war theater (Juedisches Tageblatt)
4. "For Militarism." (Juedisches Tageblatt.)
- " (Chicago Courier)
5. A settlement with Israel Zangwill. (Tageblatt)
6. Nietzsche and the War. (Tageblatt)
7. The beggar Student. (Tageblatt)
8. Imperialism and War. (Neue Zeit)
9. Turkey, Germany and England (Juedisches Volk)
10. Itsche "The Frenchman" (Der grosse Kunders)
11. Pan Slavism and Pangermanism (Tageblatt)
12. Culture versus Kulture (New York Times)
13. Some indiscretions I

II

III

14. Why Turkey joined the War.
15. Development of the warlike spirit in England
16. The German government and the Jewish question in Eastern Europe (Staats Zeitung)
17. A number of notices have been sent in the past four weeks to all Jewish papers in the United States. This portion of the service could not be developed sufficiently, for I still do not have a sufficient number of papers at my disposal.

There is reason to believe that an opportunity to supply this branch of the service better will present itself. I can give a most positive assurance that these activities have borne good fruit, and that a pro-German sentiment has arisen in the circles among whom I am working, which I may continue to succeed in maintaining and strengthening. The personal difficulties with which the activities heretofore had to contend perhaps will be removed once for all by the entry of Mr. Strauss. I hope to make verbally a report in relation thereto. New York, November 11, 1914.

(Sgd) S. M. MELAMED.

P.S. I intend during the coming weeks to have my eye also on the English press more than ever in this connection.

(Note in lead pencil on margin: "What has it accomplished? D.")

One of the most intelligent notations which appears in these papers is this, written on the margin of this communication. It is initialed

"D," and I assume it is for Dernburg, and it says, "What has accomplished?"

The records show that on June 14, 1915, \$1,500 was paid to Strauss; June 15, 1915, \$3,000; June 21, \$2,000; July 7, \$3,000; July 23, \$3,000; August 6, \$5,000; August 23, \$3,500; November 6, \$3,000; January 4, 1916, \$2,220.

Dr. Strauss, who is now interned, has very persistently refused to say anything about how he spent most of this money, and we do not know definitely how some of it was spent. We know how some of it went, of course. I think, however, that that is sufficient to show that a very persistent and elaborate—

Senator NELSON. Where is he interned?

Mr. BIELASKI. At Oglethorpe, where he belongs.

Senator NELSON. Oh, he stays there?

Mr. BIELASKI. Yes, sir. I think that is sufficient, however, to show the extent and the persistency and the organization with which they attempted to develop the Jewish propaganda in this country.

I have here two letters with respect to propaganda in the United States, signed by Edward Rumely, which by direction of the Attorney General I am to submit to the chairman of the committee to determine whether or not they shall be made of record [handing papers to the chairman].

Senator OVERMAN (after examination of papers by the committee). Mr. Bielaski, this is not germane. We will exclude these letters as not germane. Unless some Senator wants to ask a question, Mr. Bielaski may go on.

Mr. BIELASKI. In regard to the activities of Mr. Rumely, it appears that Rumely, as soon as Dernburg got here, rather attached himself to Dernburg; he was with him all the time, went to the theater with him, and was generally regarded by his associates more or less of a shadow of Dernburg. He, we find, drew the money from Albert by which Hammerling was paid for the advertisement which you have thoroughly gone into, with respect to the embargo on munitions.

It also appears that through him \$3,000 was paid to Gaston Means, commonly known as "Bud" Means, at that time a detective in the employ of the Burns Detective Agency, in connection with the investigation they made for the purpose of getting evidence to show that the British Government was shipping supplies from New York City to its warships at sea. It was a fake scheme, because the Germans had been shipping supplies from New York to their vessels; they had been caught, and, as you will recall, the so-called Hamburg-American Line cases in which some of the principal officers of the Hamburg-American Line were convicted. This was an attempt to show that the British were doing the same thing. They were not, but Mr. Means, in cooperation with some other gentlemen, tried to show that they were. I could give you more details of the scheme if they worked if you desire.

Senator OVERMAN. I would like to hear it. I know something about Means.

Mr. BIELASKI. It has nothing to do particularly with the German propaganda, but it is this: Means posed as a wealthy Canadian in the United States to see what he could do for the cause of Great Britain in the war, and he had brought to him a number of tugs

captains to whom he said that he was willing to pay well for services that they might render in taking out supplies to British ships. After preliminary conferences with them, he made it known to them that he was not really this wealthy Canadian in person, but he was his agent, and that he must needs convince his principal that these tugboat captains could really do what they undertook to do, to wit, get out supplies to the British ships. The best possible evidence of that would be statements that they had succeeded in doing it before, and therefore could do it again. I think he succeeded in finding in New York one tugboat captain who was willing to make such a statement falsely. The others shied off, and from their attitude the facts became known that such an effort was on foot. The idea was that these statements in affidavit form would be taken, presented to our State Department, and this Government led to act against Great Britain on a series of false informations. We tried our best to prosecute the people who were connected with that, but in the state of the law at that time, and on account of our inability to prove that the men who were active in doing this work knew that it was to be presented to our State Department a prosecution was prevented. We could not prove that Means and these other fellows in doing this work knew the purpose for which it was being done, that is to be presented to our Government, at all, and we could not work out a theory of prosecution without that fact.

Rumely was interested in that, at least to the extent of the payment of \$3,000 to him for Means.

Senator NELSON. To this assumed Canadian?

Mr. BIELASKI. Yes; to this detective.

An interesting thing about it is this, that Rumely got \$3,000, apparently, in the records, of checks we have to the Burns Detective Agency, we can only make them total about \$2,200. I do not know what became of the rest that got to Means.

Senator NELSON. It possibly stuck in Rumely's hands. [Laughter.]

Mr. BIELASKI. A great deal of German money did stick in different quarters, and did not get to its ultimate object.

Senator OVERMAN. Was Means ever the agent of the German Government?

Mr. BIELASKI. Mr. Means was not only the agent of the German Government in this proposition, but with Boy-Ed. Boy-Ed had a code between them in which Means was Z-13, or something or other, and Boy-Ed was Z—something else. They had meetings, around, and always talked that way; and we have the details. But he was in the employ of Boy-Ed in addition to this employment. This employment, too, by the way, was more or less a Boy-Ed affair, inasmuch as it related to naval affairs.

Senator OVERMAN. Is there any evidence that he was connected with them after the war?

Mr. BIELASKI. No; I do not think he was connected with them after Boy-Ed sailed, which was in December, 1915.

Senator NELSON. Boy-Ed and Von Papen were sent away before we went to war.

Mr. BIELASKI. Mr. Rumely admits the receipt of some \$10,000 which he states was paid to him for an option on certain tractors

which he was going to ship to Germany. He claims, and I accurately, that he could not make the shipment of these tra because the British would not let them through, and that then he felt that he was in possession of, at that time, \$10,000 from German Government for this option, without having given much of substance in return, and he claims that he spent about amount of \$10,000 for the benefit of the Germans in an investigation to determine whether or not submarines were being shipped from Massachusetts to England, for the Germans. He also appears to have been interested in Irish propaganda as distinguished from the matters which you have ruled are not germane. He told that he had loaned to a man named Anthony Brogan, five or six years ago, about \$7,000 and taken as collateral for it stock in Irish-American, and he did not think that the collateral was worth anything.

About six months after the war broke out, Brogan came to him and asked for another thousand dollars for the purpose of reviving the paper and putting it on its feet.

Senator OVERMAN. What were Mr. Rumely's antecedents? What did he do here before the war?

Mr. BIELASKI. Mr. Rumely was educated in Germany; had great many friends in Germany. He spent I forget how many years there. He came back and became the head of the Rumely Trust Co., an Indiana concern. He seems to have been a man of considerable ability. I think he took that corporation from a \$3,000 corporation up to a \$36,000,000 corporation in a very short period of time, until it failed and went up. He claims to have lost money in that deal, and it was just about that time that he gotten out of that corporation, having been forced out and the management taken over by other people, when the war started, and he landed in New York with a good appetite and not much to do.

About this Irish business, the following is a transcript of a part of his statement which relates to that. [Reading:]

BIELASKI EXHIBIT No. 38.

Rumely, in a statement made June 20, 1918, in New York City, stated he had loaned to Anthony Brogan five or six years previously \$7,000 and taken as collateral for it some shares of stock in the Irish American. He stated that about six months after the war broke out (meaning the start of European War), Brogan came to him and asked for another thousand dollars for the purpose of reviving the paper and putting it on its feet. He denied that he ever discussed with Brogan the matter of sending a correspondent abroad. He finally admitted meeting a girl in Brogan's office who wanted to go to Ireland. He denied that he had any knowledge that she was under engagement to go to Ireland at any time for Brogan. He stated that he had refused to send her as a correspondent of the Mail. He admitted, however, that he had given Brogan the additional thousand dollars.

The following is a transcript of his statement as to where he got the thousand dollars:

Q. Did you give him \$1,000 more?

A. I gave him \$1,000; yes.

Q. Where did you get that \$1,000?

A. I don't recall where I got the \$1,000.

Q. It wasn't your own money, was it?

A. What is it?

Q. It wasn't your own money?

A. Why shouldn't it be?

Q. Do you recall what your financial condition was at that time, as you have stated it to me?

A. Yes.

Q. That is one reason why it should not be your own money.

Do you remember now from whom you got that money?

A. I do not. I will look through my——

Q. To be more specific, did you get it from Albert or Dernburg or anyone representing the German crowd?

A. What is it?

Q. Or any representative of the German crowd?

A. (Hesitates.)

Q. Did you?

A. I may have got it from Fuehr, although I do not recall the source, but if I can check through my checks at the time I may be able to tell you.

Q. From whom?

A. Dr. Fuehr.

Q. Who was practically the disbursing officer of the German publication?

A. Publication, yes. I think he bought a batch of copies of that number.

Q. So that you are confident that it was not your own money at least that you put into this, the \$1,000 that you put into Brogan's paper at that time?

A. Maybe. I don't recall the exact—A block of those numbers were purchased. I think it was five or ten thousand copies, and I paid for those copies. I do not know whether the amount of payment was \$1,000 or whether I added part of it.

He concludes by admitting that at least a substantial part of the money paid for the Irish-American came from German sources.

Senator NELSON. Yes.

Mr. BIELASKI. He was also interested in some form of advertising in the newspapers of the South for Germans. We do not know exactly what that was, except that it probably had something to do with cotton.

Senator OVERMAN. Do you know what newspapers in the South?

Mr. BIELASKI. No; it never got to the point of approaching the newspapers, so far as we know. You see, he was tangled up with this advertising idea of Hammerling's, and some similar scheme which was, as best we can judge, for making use of the cotton situation for the purpose of arousing sentiment in the South, showing how England was interfering with the shipment of cotton, but, beyond a letter written to some advertising agency, the McMahon Agency, I think, we have very little evidence to show.

Senator NELSON. We had indications in the testimony of Konta that they were looking up this cotton question and made a publication in respect to it.

Mr. BIELASKI. Yes. I think this was in the press bureau that they sent out.

Senator NELSON. We got that testimony here yesterday.

Mr. BIELASKI. This, dated March 10, 1915, is apparently a draft of a cable which appears to have been sent to Berlin. [Reading:]

BIELASKI EXHIBIT No. 39.

Answering Cable No. —.

Main point is no longer organization of news service, but in placing news here. Entire press here, as well as all telegraph agencies, in hands of money interests allied with England. Therefore, although best possible news bureau organized here under Dernburg's direction, news gets only scant circulation, as long as we do not control an important newspaper here which will force other papers to accept German news for sake of their journalistic reputation. Offer for purchase of suitable newspaper under consideration. Urgently request immediate authorization to make initial payment of \$325,000. Total sum,

\$1,300,000. American news bureau intended over there valuable only to supplement press bureau here as well as the paper to be bought, otherwise trifling and rather injurious because of lack of appreciation often observed and daily change of aspect.

As you know, Dr. Rumely with Mr. Kaufman of the firm of H. Kaufman & Lindheim, who were Albert's attorneys and involved with him in many of his operations——

Senator NELSON. Were they indicted under the spy act?

Mr. BIELASKI. They are indicted for having failed to report to the Alien Property Custodian the fact of the German Government's ownership of stock in the Mail. As that is a pending case, not yet tried, we do not want to say very much about it, except something of the way the money was received. I think it is opportune at this time to tell the committee something of what we owe to Mr. Alfred Becker, the deputy attorney general of the State of New York. Mr. Becker, acting for the French Government, developed the facts with respect to about \$1,700,000 or \$1,800,000 being paid here to Bolo Pasha to obtain control of a paper for the purposes of the German Government.

Senator NELSON. That is the man who was executed?

Mr. BIELASKI. Yes, sir; that is the man who was executed. In connection with that investigation it was necessary for Mr. Becker to examine a large amount of the papers of Hugo Schmidt, which the department placed at his disposal in part, and which he secured from Schmidt in part. Mr. Becker secured a very intimate knowledge of those papers, and at the request of the Department of Justice continued his examination of them and made certain other inquiries for the department. He had the advantage of proceeding under the statute of New York which permitted him to call in and examine people under oath.

He had the second advantage of not showing the Government's hand in his inquiries at all, and the third advantage of giving our department the services of a very capable attorney who had time to concentrate on matters of importance; and he developed considerable information of value. Among other things was that in continuing this work at the request of our department he located the exact method in which the money which was paid by Rumely to the Mail came from Albert, the German representative here—the financial representative. It showed that on May 27, 1915, the \$700,000 used to purchase stock of Mail and Express Co. (owners of the Evening Mail) came from the funds realized from the sale of Imperial German treasury notes in April, 1915.

The above amount was paid to one Walter Lyon from accounts of F. Albert maintained with the Equitable Trust Co. and the Columbia Trust Co. in New York. Walter Lyon's firm (Senskorff, Lyon & Co.) turned the money over to E. A. Rumely on June 1, 1915, completing the purchase.

From September 18, 1915, to April 3, 1917, \$701,700 additional was paid by H. F. Albert from funds on deposit in the Chase National Bank and the Mechanics and Metals National Bank realized from sale of notes already mentioned or from funds supplied by the Imperial German Embassy.

Senator NELSON. That was near the time we entered the war?

Mr. BIELASKI. No, sir; that was in the spring of 1915.

Senator NELSON. I thought you said 1917.

Mr. BIELASKI. Oh, yes; he continued right up until three days before the break in diplomatic relations, and they continued to furnish money for the purchase of this paper; and after the break in negotiations, three days before we declared war, I think there were disbursed by Hays, Kaufman & Lindheim about \$200,000 which had been placed at their disposal by the Germans just before they sailed. So that the last expenditure was April 3, 1917.

Senator NELSON. And that was after Bernstorff had sailed?

Mr. BIELASKI. Yes; after he had gone; and it was some money that they left in the control of Hays, Kaufman & Lindheim.

This amount was used for running expenses and improvements. The money in almost every instance passed from H. F. Albert to Hays, Kaufman & Lindheim, thence to Renskorf, Lyon & Co. and from them to the S. S. McClure Newspaper Corporation, which had been incorporated under the laws of the State of New York, to act as a holding company at the time of the purchase.

Senator NELSON. Did Rumely get control of the Mail?

Mr. BIELASKI. Yes; absolute control of the Mail. One hundred and fifty thousand dollars of the latter amount was disbursed by Hays, Kaufman & Lindheim between February 13 and April 3, after Albert's departure.

There are a great many other things with respect to that purchase which ought not to be made public in advance of the trial of the case, but it is short; it was the purchase by the German Government of a daily newspaper for the purpose of influencing American public opinion.

Senator NELSON. Who owns that paper now, Dr. Rumely?

Mr. BIELASKI. No, sir.

Senator OVERMAN. It is in the hands of the Custodian of Alien Property, is it not?

Mr. BIELASKI. I do not know whether it is still in the hands of Mr. Palmer or not. I suppose it is. He took it over.

Senator NELSON. Oh, he did?

Mr. BIELASKI. Yes.

Senator NELSON. Is the publication continued?

Mr. BIELASKI. Yes, sir.

Senator NELSON. Did Rumely have anything to do with the paper before it was purchased?

Mr. BIELASKI. Not before it was purchased; no, sir. He became the editor afterwards.

Maj. HUMES. Senator, for your information, it is in the hands of the Alien Property Custodian, and has been placed in charge of Mr. Stoddard, the former owner of the paper, who is now conducting its publication.

Senator NELSON. And is he a loyal man?

Maj. HUMES. There is no question about that, I think.

Capt. LESTER. No question about it.

Maj. HUMES. It is my understanding.

Senator OVERMAN. Did they ever attempt to purchase any other papers?

Mr. BIELASKI. There was the consideration given for the purchase of the New York Sun, through Untermeyer, which I have described, and a request for the purchase of the Washington Post, and, of course, Dr. Hale made investigations and reports on a great many

papers and periodicals, with a view to whether or not it was to purchase them; but I do not think any negotiation or actual was made to purchase others of which we have knowledge. Of course there are a great many payments to small newspapers, particularly foreign-language newspapers, by the Austro-Hungarian Government, which I can give you a list of shortly, and payments were made to individuals for articles printed, and all that sort of thing.

I have here a translation of a memorandum which the Attorney General directs to be submitted to the chairman of the committee for his decision [handing paper to the chairman].

There is a great deal of other material of a similar nature, so I thought we had better cover it all if it is put in.

Mr. O'BRIAN. As I understand Senator Overman, unless it is confined to the German propaganda, it may as well be omitted.

Senator OVERMAN. If it is not confined to German propaganda, it had better be omitted. We want to confine ourselves to matters pertaining to the German propaganda.

Mr. BIELASKI. I think I will omit this entirely, then.

Senator OVERMAN. Yes.

Mr. BIELASKI. I said this morning something about the correspondents who had been sent abroad for the purpose of influencing this country public opinion through the dispatches which they would send back from Germany.

Among the men sent over in that way were Edward Lyell Fox and John D. Archibald, and Edwin Emerson.

Edward Lyell Fox, as already appears, was in the employ of the American Correspondent Film Corporation, which was an indirect method of being in the employ of the German Government.

He went over, first, as a correspondent of the Wildman Magazine and News Service, 118 East Twenty-eighth Street, New York City.

Senator OVERMAN. Was he a correspondent of some newspaper in this country?

Mr. BIELASKI. He was representing this Wildman Magazine and News Service.

This letter, which was published in the New York World in August, 1915, from the foreign office, makes mention of Fox. [Reading]

BIELASKI EXHIBIT No. 40.

MAY 1, 1915.

MY DEAR MR. VON PAPEN: Attached hereto I am sending you a copy of a Berlin communication. Inasmuch as you have connections with Fox, it might be advisable for you to take advantage of the opportunity.

With best thanks in advance,

Respectfully,

J. VON BERNSTORFF

From a third party I understand that the American journalist, Edward L. Fox, representative of the Wheeler Newspaper Syndicate, The American Magazine, and the Illustrated Sunday Syndicate, and the Illustrated Sunday Magazines, would like to again come to Germany as press representative. From the information I have received, these papers of his are in agreement as to the desire, but are not willing to pay the expenses of Mr. Fox. Inasmuch as this gentleman, at the time of his last sojourn in Germany, was of great benefit to me by reason of his good dispatches, it might be possible that the "German Information Service" would this time, as last time, be willing to pay the expenses of a five to six months' stay, which would amount to between 5,000 and 6,000 marks.

I would respectfully request your Excellency to sound Mr. Fox on his intentions, and to make inquiries as to whether the costs of his stay can be raised there in any way.

I shall be glad to have a reply as soon as possible, if possible, by telegram. By order of the chancellor.

STUMM.

The first time he went over, as I say, he went over for this Wildman Bureau.

He was furnished, when he went over, by Mr. Claussen, with letters of introduction from Dr. Dernburg.

When he returned, Mr. Wildman said he seemed rather secretive, and tried to have Mr. Claussen find out what it was that was on Fox's mind.

Fox told Claussen, according to Claussen's statements, that he had proposed some plans to the Germans on the other side; but would not state what they were.

The next day Claussen took Fox to Dernburg at the Ritz—this is according to Claussen's testimony—where Fox stated that he had set certain plans before the people in Germany, and they thought well of them, and that he was going to work them out and report in detail on his return.

He told Dernburg that he proposed hiring prominent playwrights to write plays portraying the Germans as they were, and to get prominent writers to write stories favorable to Germany, the whole plan to cost \$1,000,000.

I do not know whether this was the same plan or not which he submitted to Capt. von Papen later, or just an outgrowth of that plan, and so I do not know whether this plan which he submitted was ever considered in Berlin or not; but it is an interesting proposal, whether acted upon or not, because I think it shows the limits to which these people would go, or were going, in even considering any such matter.

This memorandum is as follows. It was inclosed to Capt. Franz von Papen, The German Club, 112 Central Park South, New York, N. Y., marked "Personal. To be opened only by Capt. von P." The handwriting is Fox's on the envelope.

Senator NELSON. What is the date of it?

Mr. BIELASKI. There is no exact date, but I think the date is fairly well apparent as being in the spring of 1915 from some of the context. [Reading:]

BIELASKI EXHIBIT No. 41.

The object of this plan is the termination of United States manufacturers supplying the Allies with ammunition and other munitions of war. If carried through to the end there is a second and incidental goal—the loss to Japan of the German colonies that she now holds. But the object to be held clearly in view is the end of the ammunition traffic. This can be accomplished by fomenting a war scare between the United States and Japan; at the present time this is not dangerous, for the United States Army and Navy men believe that war between America and Japan is inevitable. What better time to strike than now, when Japan can get no help secret or otherwise from England or other European Power? United States Navy officers have said that if we fight Japan today, "We win, but if we wait until Japan's fleet builds to too great proportions, it will be difficult—perhaps very dangerous."

It is known that on May 21, 1913 United States and Japan just missed going to war by the narrowest margin. All the facts of this situation of which Capt. Hobson hinted before the House Naval Affairs Comm last December are in the

hands of Edward Lyell Fox, the American correspondent who recently returned from Germany. At Washington this last week Mr. Fox learned from a commanding officer of Corregidor Island during May of 1913, how close the United States and Germany were to war. The source of that situation was California. Cleverly handled, California can be used to create the same situation today. It is a sore spot with the Japanese; they have never forgiven America.

The public mind must be diverted from Europe to the Orient. Pro-German publicity is futile. The thing to do is to make the United States an ally of Germany by a twist of world politics. England allied with Japan cannot be her friend—who else but Germany? Begin this situation by bringing the public here to thinking seriously about Japan. Accomplish this through the medium of creating public opinion—that the English have used so well—the newspapers, the theatre, the thousands of moving picture shows and the cinema. In detail here is a plan:

An examination of the files of the Hearst newspapers will show their business toward Japan. No chance has been passed by them to warn the public against the Japs and to foment trouble in California. Let there develop trouble in California—and presently we shall show it can easily be made—the Hearst papers will lead in the attack on the Japs. Defensively, purely as a news proposition under the direct orders of the Morgan financial group, they have to take up the matter in their columns. Any anti-Japanese move will have the complete support of Mr. Hearst. He is a native of California and in the past has done his utmost against them. Mr. Hearst must not know this is fomenting. When the trouble breaks out he will rush into it quite enough.

Secondly, The Illustrated Sunday Magazine, a publication resembling the Saturday Evening Post in appearance, is a part of each Sunday edition of these newspapers:

Pittsburgh Gazette Times; Minneapolis Tribune; Memphis Commercial Appeal; Detroit Free Press; Boston Herald; Louisville Courier Journal; Worcester Democrat Chronicle; Dayton News; Philadelphia Herald; Columbus Dispatch; Milwaukee Sentinel; Omaha World Herald; Des Moines Register and Leader; Worcester Telegram; Providence Tribune; Buffalo Times. Moreover, it operates another supplement. The Literary Magazine which goes out Sunday with papers in smaller cities. The sworn circulation of the Illustrated is one million three hundred thousand copies a week. The Literary has another two million more. They cover the country and are widely read. They can be used to foment feeling against the Japanese.

They must *not* be approached through their owners Normal Mack and E. W. Block. They must be approached through their Editor-in-Chief, Hiram Greene. The properties, insofar as deciding what is printed in them, are entirely in Mr. Greene's hands. He is absolute czar over them. Mr. Greene attacks the Japanese in special articles and fiction every week to three million people, if it is made worth his while. This entire matter can be handled by Mr. Fox who is one of Mr. Greene's closest personal friends. Mr. Greene's sympathies have been entirely with Germany since the outbreak of war. He was one of the editors who backed Mr. Fox on his trip to Germany. He can only through his papers can he turn public opinion but he fits into another part of the plan, i. e., the stage and the moving pictures.

There should be a play produced in New York, Chicago, San Francisco, Los Angeles that will send its audiences out of the theatres heated to a fever point against the Japanese. There should be one-act plays sent out to the big vaudeville circuits creating the same effect. There should be a moving picture production anti-Japanese, and put on all the circuits. It should be shown in weekly installments that synchronize with a continued story. The pictures should be syndicated in the same cities the pictures appear. Fox can arrange the entire matter.

Also, in all the musical shows of the summer there should be introduced stage effects, songs and lines fomenting the feeling. This can be done with money given to noted performers and stage directors. Mr. Fox knows the people to reach.

So much for the theatre and newspapers:

The public mind thus prepared, play the trump card with trouble on the Pacific Coast. The thugs who engineered the escape of Harry Thaw from the Matteawan will do anything for \$1,000 apiece. Rioting in San Francisco, against a few Japanese would be child's play for them. The riots against the Japanese begun, The Asiatic Exclusion League, the anti-Japanese organization

of the Pacific coast, enters the plan. Its president has served a term in jail; he will do anything made worth his while. Then the William J. Burns Agency must be considered. Burns made his reputation by rounding up the grafters in California. He sent the political boss of the state to the penitentiary and he secured evidence on municipal and police officials that he did not use. What about Burns forcing the police to make a demonstration on the riots; what about Burns further fomenting the trouble in a state whose crooked denizens he knows so well? Get every California clergyman behind it. Ministers in this country love to see their names in the newspapers. They would rush to denounce the Japanese—especially if some outrages against women were planted. It would be an easy matter for Burns to use some young and “innocent” prostitutes to the detriment of the Japs.

Mr. Fox is to be Captain Von Papen's assistant in this matter and as such is to come to an agreement with him. Mr. Fox's part will be explained by Captain von Papen with the co-operation of Mr. Fox. Mr. Greene can attend to all these things. He is an experienced playwright. He wrote the following plays: “The House that Kraut Built,” “The Selling Price,” “Miss Strange.” He has letters, etc. from managers that establish his ability in this line. On a special proposition he went to California last year and directed as well as devised the story for the most successful weekly installment moving picture play done up to then in this country—“Lucille Love.” He also planned a second big movie serial “The Trey of Hearts.” A rapid worker, Mr. Greene could turn out an anti-Japanese play in one month; at the same time he could arrange for the vaudeville sketch and moving picture play. Like the drama, these latter should be produced in triplicate, etc. in different parts of the country.

It is suggested that Mr. Green's price for the plan be made great enough to cover the Illustrated Sunday Magazine proposition so that no money changes hands directly on that. The production of the play would cost \$20000. Mr. Greene would write a scenario as to plot, etc. and upon approving this Capt. von Papen should pay him \$5000. Upon completion of the manuscript and delivery for production \$5000-additional should be paid. The other \$10000 is to cover the cost of production.

For writing and producing the vaudeville sketch only \$2500 would be needed in all. As to the cost of the moving picture play production Mr. Greene could best give the figure but it is not high.

Thus the dramatic vaudeville and moving picture stages can be handled through Mr. Green, as well as reaching three million people every week through his magazine syndicate.

That ends the proposed plan.

Attached to it is another memorandum for Capt. von Papen.
[Reading:]

By the 15th of April—

Senator NELSON. Whose plan is this? Who made this plan?

Mr. BIELASKI. Edward Lyell Fox has admitted making this plan, and submitting it.

By the 15th of April, the French had 800 10.5 C. M. guns ready for service. One of the United States Army observers returning home from Germany by way of Paris, learned this.

Here is another little postscript, in Mr. Fox's own handwriting.
[Reading:]

DEAR CAPTAIN: I enclose the report in full. I would deem it a great favor if tomorrow you could tell me some quietly—

It reads “some quietly” here; I suppose it means “something quietly”—

and definitely about the German note. I wish to make some investments in the stock market and shall, of course, maintain the utmost confidence. May I telephone you late tomorrow morning, and if it is agreeable to you then, I could hasten down to your office and from there go to Wall Street.

Best wishes,

E. L. F.

Some drafts of proposed telegrams to the foreign office have some bearing on Mr. Fox's relation with the German Government.

This is December 19, 1914. [Reading:]

BIELASKI EXHIBIT No. 42.

Repeat urgently earlier suggestion about photographer Dawson and war correspondent Fox. It would be most undesirable if both should leave without accomplishing anything. Interview with King of Bavaria or Saxony in particular desirable. In case interview is granted, have Fox send this to local press bureau, care of M. B. Claussen, 264 Riverside Drive, New York. Making pictures by Dawson, with Fox's cooperation, in which, if possible, correspondents themselves appear, urgently desired. Costs would be covered by big newspapers here.

Senator OVERMAN. Who is Fox?

Mr. BIELASKI. He is a correspondent, and he wrote some books also, for the propaganda bureau, which I omitted to mention this morning, because it is a very long list; and he was dismissed from our Army because of these activities of his some time ago.

Senator NELSON. Was he in our Army?

Mr. BIELASKI. Yes; he went to Plattsburg, I think, and, so far as I know, he did nothing after we got in the war that any patriotic citizen might not do. In fact, he offered himself as a soldier, and he went abroad; but, in view of his history, it was not thought satisfactory that he should stay in France.

Here is another mention of Fox. This is not dated. [Reading:]

BIELASKI EXHIBIT No. 43.

Through arrangements with Wildman, the press bureau has an excellent opportunity to place important interviews. Urgently recommends American journalist, Edward Lyell Fox, be secured for an audience with King of Bavaria or Saxony for interview on unity of the German Empire; with the president of the Reichstag on financial and industrial situation; with Albert Ballin on the Kaiser and the people; with the governor general of Belgium and East Prussia on suitable topics. Also desire an interview with a lady, perhaps, with Mrs. Dernburg, on the women of Germany. Fox is not to conduct the interviews, but to send them to Claussen by official channels, and Claussen will forward them to the press bureau. Please hurry censorship, or in given case leave to the press bureau.

When Capt. von Papen returned, he took with him a number of papers, which the British took from him at Falmouth, and among them was a letter by Fox, which has been published in an official British document. Writing from Berlin he says:

BIELASKI EXHIBIT No. 44.

MY DEAR PAPEN: Just a few words to let you know how things are going. I explained to von Herwarth (lieutenant colonel now) the difficulties of your work in New York. I presented your letter to Maj. Deutmoser and delivered and posted everything else. Prince Hatzfeld had me out to luncheon and gave me an interview on America's work in the German Red Cross which I hope to send out from Berlin by Saturday.

Princes Friedrich Leopold, of Prussia, had me out to Potsdam, and we got up an interview on "The Spartan German Woman in Time of War." But best of all there is something big coming through the Foreign Office—Prince Henry on the Freedom of the Seas. So you see I have been fairly busy the short time I have been here.

On Sunday I start on a trip to see the cities of southern Germany in war time, and then I hope to get to the east front.

Your Berlin looks wonderful this summer; the climate, they tell me, is unusually good. Of course, on the part of the masses there is an undercurrent against Americans, but the people worth while are all splendidly broad-minded. It is my sincere conviction, and the belief of many other American correspondents here, that the misunderstandings between our countries is due to the poor advice and the warped viewpoint of the American Embassy in Berlin. President Wilson can not know the German viewpoint under existing circumstances.

Write me how things are going. Best wishes for successful work.

Yours,

E. L. Fox.

Col. Edwin Emerson also went abroad as a correspondent. In his passport application early in 1915, he stated that he was born in New York January 23, 1869, whereas it appears from his statement of facts, which he furnished to Who's Who, that he was born in Germany.

On March 23, 1915, Bernstorff sent Emerson, care Harvard Club, by Postal Telegraph Co., the following message:

I am exceedingly sorry to miss you here, as I have business in New York on Thursday. Papen will inform me. Best regards.

BIELASKI EXHIBIT No. 45.

NEW YORK. April 11, 1915.
Harvard Club, 27 West Forty-fifth Street.

MY DEAR COUNT BERNSTORFF: Since writing you last I have received by registered mail your check of \$1,000 for traveling expenses, for which I thank you very warmly.

That was a letter signed "Edwin Emerson."

Maj. HUMES. What paper did he represent?

Mr. BIELASKI. I do not know that he represented any paper here. When he got abroad he represented the notorious Continental Times, I think it was, which was the German propaganda paper printed in English on the Continent and circulated over there, and also smuggled into this country and circulated to some extent in this country.

While he was in this country, in 1915, he traveled around giving a pro-German lecture.

Another bit of information about his activities is contained in reports received from our consular officers abroad.

He stated to the consular agency at Damascus that he was a colonel in the American Army, and was acting as war correspondent with headquarters at Berlin, and that he was writing for the Washington Post, and had come to Turkey to study conditions at first hand. He was presented to Djemal Pasha, the minister of marine, commander of the Fourth Army, to whom he immediately began to state how badly our Army and Government was organized; how little sympathy the people of the country had with the President's action in breaking with Germany, etc. He presented a letter from the German Chief of staff of the Turkish Army, which lauded him very much. He also had a recommendation from Capt. von Papen, which praised him for eminent services rendered to Germany. He was one of the principal writers for the Continental Times.

Our various consular and diplomatic officers have been trying to get his passport from him for a long time, but he knows it, and they have not yet gotten it.

As showing his close connection with the Germans, here is a written note from the Harvard Club, addressed to Albert. [Reading:]

BIELASKI EXHIBIT No. 46.

Our mutual friend, General Consul Killian now with the Foreign Office in Berlin, was kind enough to give me, before I left Germany, several lines addressed to you.

As soon as convenient to you I would like to bring these lines to you.

In the meantime I take the liberty of inviting you cordially to a little address I am to give next Saturday evening, January 30, at the German Verein on West 59th Street.

I sign, Sincerely and Respectfully,

EDWIN EMERSON

. March 18, 1915, writing from 30 Church Street, New York, Albert, he says:

BIELASKI EXHIBIT No. 47.

I regret that I did not find you in your office when I called this afternoon. Since I last had the pleasure of seeing you I have been busily engaged with my war lectures. Every evening except Sunday I gave a lecture, many times twice a day.

Now I have just returned from New England. I gave lectures there at Hartford, Stamford, Boston and Cambridge, at Harvard University.

Everywhere in New England I found the attitude extremely anti-German but my lectures were well attended, and the public was generous enough to give me much applause.

The best was the visit to the Harvard Club of Boston and to the University in Cambridge. Naturally I saw Muensterberg and the other German professors. Ex-Rector Eliot and the present Rector Lowell were also friendly enough to attend my lectures.

At the Harvard Club in Boston the expectation was that I would speak against the Allies. For this reason possibly the large club was jammed full, more than ever since the opening of the club a year and a half ago. Even Theodore Roosevelt, I was told, did not have such a crowd. Naturally the people had to be disappointed when it appeared that I had also a good word for the Germans.

At the university where a great part of the students is not at all in accord with the faculty in its war sympathies, I had such a crowd that in spite of the large room I had to deliver my address an hour before the appointed time.

Respectfully,

EDWIN EMERSON

He has the German habit of thinking rather well of himself.

Another letter from Emerson to Albert, dated May 14, 1915, merely asked him to return a letter which he had left, and shows his connection with Dr. Fuehr.

He says, on May 23, 1915, in a letter to Albert:

What I really had in mind was to again heartily thank you, in conclusion, for your welcome and friendly assistance.

I only wish I had taken more to heart your well-meant tip as to Max Braun. I had only disagreeable experiences with the man.

As showing his activities somewhat, I think on May 10 there appeared an article in the papers, the Washington Post, I think had been written by Carl H. von Wiegand, in which he described Emerson's activities against Ambassador Gerard, and refers to his activities in printing a statement entitled, "Who Betrayed Casement"; all of which goes to show that he was wholly in the service of Germany.

Senator OVERMAN. Before you go to anything else we will take an adjournment until half past 10 to-morrow.

The subcommittee thereupon, at 5 o'clock p. m., adjourned until to-morrow, Saturday, December 7, 1918, at 10.30 o'clock a. m.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

SATURDAY, DECEMBER 7, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Wolcott, King, Sterling, and Nelson.

TESTIMONY OF MR. A. BRUCE BIELASKI—Resumed.

Senator OVERMAN. Mr. Bielaski, you may proceed in your own way.

Mr. BIELASKI. I think when we adjourned last night I had told you something of two correspondents who were sent over to Germany, and was about to say something about Mr. Archibald, as I recall it.

Senator NELSON. Is not he the man that the British got hold of and tried?

Mr. BIELASKI. Mr. Archibald is the man that the British got hold of, bearing dispatches to Ambassador Dumba and Capt. von Papen, and Consul General von Nuber, and so on.

Senator NELSON. Did they not try him and execute him?

Mr. BIELASKI. No; they did not. They sent him back to this country, and he has been here ever since.

Senator OVERMAN. I got a telegram this morning, and I want to ask you if you know anything else in regard to Prof. Hart, except what appears in the Fuehr list?

Mr. BIELASKI. Mr. Chairman, if it is agreeable to you, I should like to let that go until after lunch, when I will have an opportunity to look up one or two matters.

Senator OVERMAN. I have asked Maj. Humes to telegraph him to be here Tuesday morning.

I understand, Mr. Bielaski, that you have documents to prove everything you have stated, except when you say that you believe certain things from circumstantial evidence? I notice one of the papers said this morning that you had made certain statements without showing any documents to prove them. As I understand it, you have documents to prove everything you have stated before this committee, except where you state that you believe it from certain circumstances?

Mr. BIELASKI. Yes.

Senator NELSON. That is the way I understood it.

Mr. BIELASKI. Mr. Archibald left this country on the 20th of August, 1915, bearing two letters of recommendation from Ambassador Bernstorff, and a letter from von Papen, dated August 20, 1915, of which the following is an extract from a translation:

Mr. James F. J. Archibald is again traveling to Germany and Austria-Hungary, as on previous occasions, in the capacity of a scrupulously impartial journalist desirous of collecting fresh impressions.

Mr. Bernstorff's letters of introduction are just the usual letters asking that his travel be facilitated.

Here is a photographic copy of a receipt dated April 21, 1915, signed by Mr. Archibald, acknowledging the receipt of \$5,000 from the German Embassy in Washington. The receipt is in German.

Senator OVERMAN. I know a good deal about this man Archibald, but will you state for the record who he is, what he has done in this country, and whether he is a native-born American citizen?

Mr. BIELASKI. Mr. Archibald has been a writer, a lecturer, a newspaper correspondent, and was, I think, rather prominent as a correspondent in the Russo-Japanese war. He is an American citizen.

Senator NELSON. Native born?

Mr. BIELASKI. Native born, I think; yes. He is a resident of New York City at the present time, I think.

Senator OVERMAN. He is now living in this country?

Mr. BIELASKI. Yes; I think he has been in this country continuously since he was turned back by the British.

As an evidence of what he really did, he went over ostensibly as the representative of the Wheeler Syndicate. They had contracts with him and with papers to use the material which he was to secure. On October 27, 1914, which was prior to this last experience, Mr. John Wheeler telegraphed Mr. Archibald at the Hotel Bristol, Berlin, as follows:

BIELASKI EXHIBIT No. 48.

NEW YORK, October 27, 1914.

JAMES ARCHIBALD, *Hotel Bristol, Berlin,*

Papers quit, charging unfairness. We stop. John Wheeler.

Charge to Wheeler Syndicate, Inc.

Senator STERLING. Were any proceedings ever instituted against Mr. Archibald?

Mr. BIELASKI. No, sir; I think it was the view of the department that there was no law which adequately reached his case. The only possible statute, I think, that was considered was section 5 of the Penal Code, which has to do with the carrying or the writing of communications to diplomatic representatives of foreign Governments about matters in controversy between our Government and foreign Governments.

Senator NELSON. The espionage act had not been passed at the time?

Mr. BIELASKI. Oh, no, sir; this was in 1915, and the espionage act was not passed until June 15, 1917, and it was not possible, of course, to show absolutely affirmatively that Mr. Archibald knew the contents of the letters he was carrying. If you are interested in what he did carry, and what that plan was, I can give it to you very briefly. I think I should like first, however, to put in one letter showing

ing his attitude in his dispatches. This is a letter dated November 4, 1914, to Archibald, which I believe was written by Mr. Wheeler, of the syndicate. [Reading:]

BIELASKI EXHIBIT No. 49.

NOVEMBER 4, 1914.

Mr. JAMES F. J. ARCHIBALD,
% Archduke Frederick's Headquarters, Austria.

DEAR MR. ARCHIBALD:

I am sorry to have to write you that we have had to terminate your war service with the newspapers. On October 27th we sent you a wireless to this effect, care the Hotel Bristol, Berlin, via the Tuckerton station, the Sayville station refusing to accept commercial messages.

The New York papers refused to continue the service. The New York World claims you promised it to go to Austria, and not to Germany; and all three papers, because your stuff was so pro-German, refused to print the most of it and refused to go on with the service, charging undue bias on your part. By the very nature of the stuff you have sent over, we have been forced to agree with these papers that your matter has not been news, which you agreed to send back, but in the nature of pro-German personal opinions and editorials. Our understanding with the papers was that we were to furnish them with news through you, from the Austrian-German side; instead what we received from you has been in the nature of editorial matter strongly pro-German. The papers wanted battle front news from you, we contracted to give them such news from you, and, naturally, when we could give them nothing largely but your strongly biased personal opinions, they terminated the service, making it necessary for us to terminate the service with you.

Here is a telegram showing the close relationship between Mr. Archibald and the Germans. It is to Mr. Albert from von Bernstorff.

Senator NELSON. What is the date of that?

Mr. BIELASKI. March 15. The telegram is as follows:

BIELASKI EXHIBIT No. 50.

WASHINGTON, D. C., March 15, 1915.

Mr. H. F. ALBERT, 105 E, 53rd St.,

I have received films. Do you want them or shall I give them to Archibald?
J. BERNSTORFF.

It also developes that Archibald had made an arrangement, I think unknown to his employers, whereby the Germans were getting a copy of his dispatches, as well as the syndicate that employed him.

He gave lectures, and I have here a report from a representative of the Secret Service Division of the Treasury Department in 1917, reporting to the chief of that service that Archibald delivered a lecture at the Potter Opera House in Santa Barbara, last April or May; that it was so pro-German that he was hissed, and a number of people left the audience. That is simply to give you an idea of the part the \$5,000 played in his services.

The plan that he took over was a plan for propaganda among the Austro-Hungarians, the laboring population.

Senator NELSON. Employed in this country?

Mr. BIELASKI. Employed in this country. It inclosed a memorandum prepared by Mr. William Warm, who at that time was a writer for foreign-language newspapers. Almost immediately after Mr. Archibald's apprehension Mr. Warm made a confession to an agent of the Department of Justice, in which he admitted the authorship of the memorandum, and told the circumstances under

which he had presented it to Ambassador Dumba himself at Ambassador's hotel in the presence of Consul General von N... the New York consul for the Austro-Hungarian Government.

I should like to read a part of that memorandum, if I could get my hand on it. I have it in the foreign language, but I can not get the translation.

It is interesting also to note that in connection with this matter it developed that Warm was the author of a moving picture play entitled "Blood is Thicker Than Water," which was financed to the extent of \$250 by the Austro-Hungarian Government. I do not remember all the details of it, but the striking point in the play was showing Austro-Hungarian workmen working in munition factories making munitions which were afterward used to kill some of the relatives on the other side, and in one scene the munitions factory which was making the shells was burned down. The play did not attribute the burning to any Austro-Hungarian in the plot at all, but to a rival manufacturer; but the suggestion was rather obvious. We have a copy of the check by which this man was paid the \$250.

Senator OVERMAN. The suggestion was of burning the munition plant?

Mr. BIELASKI. Yes; it was an indirect suggestion, so we thought.

Senator OVERMAN. Like the I. W. W.?

Senator STERLING. It probably was for the purpose of the suggestion, was it not?

Mr. BIELASKI. We also have a photographic copy of the letter transmitting the check, and we have Mr. Warm's admission of receipt of the check.

Senator OVERMAN. How much was it?

Mr. BIELASKI. Two hundred and fifty dollars.

The letters which were taken from Mr. Archibald at that time were very well known. They were the letter, for instance, of von Papen to his wife in which he referred to the "idiotic Yankees," and gave himself quite some notoriety thereby. The whole thing resulted in the recall of Ambassador Dumba.

Here is the inclosure which was sent, and which was prepared by William Warm. This is a translation of it. We have in our files a photographic copy of the original, which has been identified by Mr. Warm as a copy of the memorandum he gave to Ambassador Dumba. It is as follows:

BIELASKI EXHIBIT No. 51.

[Translation. Inclosure in Dr. Dumba's letters to Baron von Burian, Aug. 20, 1914]

I must divide the matter into two parts—the Bethlehem and the Middle West Business, but the point of departure is common to both, viz: Press agitation which is of the greatest importance as regards our Hungarian-American workmen, and by means of the Press we can reach both Bethlehem and the West. In my opinion we must start a very strong agitation on this question in the "Freedom", (Szabodsog), a leading organ, with respect to the Bethlehem work and the conditions there. This can be done in two ways, and both must be utilized. In the first place a regular daily section must be devoted to the conditions obtaining there and a campaign must be regularly conducted against these indescribably degrading conditions. The "Freedom" has already done something similar in the recent past, when the strike movement began at Bridgeport. It must naturally take the form of strong, deliberate, decided and courageous action. Secondly, the writer of these lines would begin a Labour-news paper that newspaper much on the lines of Upton Sinclair's celebrated story, and

might be published in other local Hungarian, Slovak and German newspapers also. Here we arrive at the point that naturally we shall also require other newspapers. The American Magyar Nepszava (Word of the People) will undoubtedly be compelled willingly or unwillingly to follow the movement initiated by the "Freedom" (Szabodsog), for it will be pleasing to the entire Hungarian element in America, and an absolute patriotic act to which that open journal (the Nepszava) could not adopt a hostile attitude.

Of course it is another question to what extent and with what energy and devotion that newspaper would adhere to this course of action without regard to other influences, just as it is questionable to what extent the other local patriotic papers would go. There is great reason why, in spite of their patriotism, the American-Hungarian papers have hitherto shrunk from initiating such action. The position is as follows. To start with, the Szabodsog which today is one of the greatest, in every respect, of the papers printed in a foreign language in America, has already made gigantic sacrifices from a patriotic point of view. Others have only a faint idea of the magnitude of the homeward migration that will take place directly after the termination of the war, whereas the Hungarian papers have direct and better opportunities of observing the shadow which that gigantic migration homewards always casts before it. It is the fact that the paper alone used by the Szabodsog, for example, in printing only those copies which go to subscribers who are in arrears with their subscriptions, costs at least \$1000 a month, while the actual total cost of the paper does not amount to more than \$3500. In view of this fact that one-third of the total subscribers get the paper for nothing, or at all events on credit, you can see what a patriotic action this newspaper is performing. Naturally under such circumstances you can hardly expect that such a paper should go much further in the way of violent agitation which would have the result of making their subscribers now in regular work unable to meet their subscriptions, as, for example, the Bethlehem workers. I have long been wishing to start a direct movement in that paper, but the above point view made us hold our hand.

The position of affairs is much the same with the American-Hungarian Hepszara as you might conclude from the special appeal addressed by the editor at the beginning of the war to his readers. The local Hungarian papers also suffer from the fact that a part of their subscribers are in arrears with their subscriptions as they are out of work, while others are slow in paying because they want to go back to Hungary. To what extent this intention of migrating homewards influences the whole matter is shown by the fact that at present very many only pay their subscriptions for a quarter of a year in advance, contrary of their previous custom, for they think that the war will be over before the end of the quarter. In a word, the shadow of the great homeward migration and, in many places, the bad condition of affairs, have brought the American Hungarian papers to such a position that they must be careful in all matters which might cause them further loss by affecting the ability of their subscribers to pay their subscriptions in advance. Under these circumstances, it is not only fair but necessary that if we wish to reckon on the enthusiastic and self-sacrificing support of these papers in the cause of any strike-movement, and we must be in a position to reckon therewith, it will be necessary to give these papers a certain degree of support so that they may not suffer for their action. In the interest of successful action at Bethlehem and the middle west.

* * * besides the Szobodsog, the Nepszava, the new daily paper of Pittsburgh must be set in motion, and those of Bridgeport Youngtown District, etc. also two Slovak papers. Under these circumstances, the first necessity is money. To Bethlehem must be sent as many reliable Hungarian and German workmen as I can lay my hands on who will join the factories and begin their work in secret among their fellow workmen. For this purpose, I have my men Turners in Steelwork. We must send an organizer, who in the interests of the Union will begin the business in his own way. We must also send so-called "soap-box" orators who will know, and so to start a useful agitation. We shall want money for popular meetings and possibly for organizing picnics. In general, the same applies to the Middle West. I am thinking of Pittsburgh and Cleveland in the first instance, as to which I could give details only if I were to return and spend at least a few days there.

I have already shown that much can be done with the Newspapers. We must stir up men's feelings. In Bethlehem a sensation was caused by the articles which appeared at the time of the strike at Bridgeport, and they brought Bethlehem into the affair. It is evident that to start a movement

from which serious results can be expected requires a sufficiency of money at the very start. The extent of subsequent expenditure for the most part depends on the work effected. For example, the newspapers must not receive the whole of the sum intended for them all at once, but only half of it.

To the Union agitators only a certain amount should be given at first, a larger sum in the case of success, or of a serious strike on the formation of a Union. It is my opinion that for the special object of starting the Bethlehem business and for the Bethlehem and Western newspaper campaign, \$15,000 to \$20,000 must be able to be disposed of, but it is not possible to reckon how much will ultimately be required; when a beginning has been made it will be possible to see how things develop, and where and how much it is worth while to spend. The above mentioned preliminary sum would suffice to partially satisfy the demands of the necessary newspapers and to a considerable extent those of the Bethlehem campaign. It is in any case worth while risking a certain amount for it will undoubtedly show some result, and if circumstances are lucky, and the leadership good we can arrive at positive results in the West comparatively cheaply, whereas Bethlehem is one of the most difficult jobs. I will telephone at 8 a. m. and I request you then to let me know where and when I can learn your opinion of my proposal which will require a considerable amount of verbal exposition. Finally I make bold to point out the fact that hitherto I have said nothing on the subject to anyone connected with the newspapers, and am in the fortunate position that in the case of giving effect to this plan I can make use of other names in the case of necessity for I have already in other matters made payments through other individuals. In any event in the case of newspapers, the greatest circumspection is necessary, and no one but the proprietors must know that money is coming to the undertaking from any source.

Senator OVERMAN. Where was that paper, Freedom, printed?

Mr. BIELASKI. In Cleveland, Ohio, I think. It was a paper with which Mr. Warm was connected as an associate editor.

Senator NELSON. In the Hungarian language?

Mr. BIELASKI. Yes.

Maj. HUMES. Is that the same paper that Horvath was connected with?

Mr. BIELASKI. I am not absolutely certain. Our files show the complete facts with respect to the paper though, and we can give them if you wish.

The last part of this translation relates to the causing of strikes at Bethlehem, and so on. The fourth page of the translation is missing and I will have to complete it for the record later.

Senator NELSON. He advises the inauguration of strikes?

Mr. BIELASKI. Yes.

Senator NELSON. Can you refer to that part of it?

Mr. BIELASKI. I will put it in the record. The fourth page of the translation is missing.

Senator OVERMAN. He did advise strikes though?

Mr. BIELASKI. Yes; and the ambassador transmitted this to his home Government, and in his communication stated that Von Papen thought it was important, and it was for that reason that he was recalled.

Senator STERLING. Reference is made there to the American. Was that another Hungarian paper?

Mr. BIELASKI. No; I think that was a description of the paper as Hungarian-American. That is the way he described it. I am sorry that a part of the translation is missing.

Senator NELSON. You can supply that?

Mr. BIELASKI. Yes.

Senator NELSON. It is very important that that should go in?

Mr. BIELASKI. Yes.

Senator OVERMAN. What did Archibald have to do with that?

Mr. BIELASKI. Archibald carried those papers in his possession, and in the records of Von Igel's office there was maintained a record book which showed on the vessels that sailed for Europe the names of messengers, and opposite the boat on which Archibald sailed, under the heading "messsenger," appears Archibald's name, so that in carrying these things he was acting as a messenger. But as I stated at the outset we could not prove that he knew the contents of the communications he was carrying.

Senator NELSON. Did they have messengers on many boats?

Mr. BIELASKI. Yes; they had messengers on almost every boat that sailed to a neutral country; that is, during the period of our neutrality.

I made mention yesterday of the National Courier, a magazine established here by Mr. Theodore E. Lowe. He was the editor of a magazine known as New York Topics, which went on the rocks, and also published the International Courier, 150 Nassau Street.

He was of German origin, and his wife was a German. I think I read yesterday an extract from Mr. Bernstorff's telegram, which you will doubtless recall, reporting to the foreign office that he was making payments to Lowe.

Senator OVERMAN. Was Lowe established here in Washington?

Mr. BIELASKI. Yes.

Senator OVERMAN. Was his magazine circulated to any extent?

Mr. BIELASKI. It had some circulation. It was advertised quite extensively in the street cars.

Senator NELSON. What was the name of the paper?

Mr. BIELASKI. The National Courier..

Senator NELSON. Here in the city?

Mr. BIELASKI. Yes. They purported to have a woman correspondent. They advertised "Miss So-and-So will say," with respect to the National Courier, trying to get up an interest in the paper.

Here is a letter written from Asheville, N. C., Christmas Day, not dated, but the envelope shows that it was 1916 (reading):

BIELASKI EXHIBIT No. 52.

[Grove Park Inn, Asheville, N. C. Absolutely fireproof. Open all the year. Finest resort hotel in the world.]

CHRISTMAS DAY.

DEAR MR. MORRISON: Received several papers also package for Mrs. Lowe from Chicago. No letter. Did you write Saturday? Were any deposits made? Kindly mail the enclosed letter at once to Dr. Edler. As soon as he phones you to call at the Embassy, please do so. He will pay you \$500.—which, please, deposit at the Second National. Wire me "collect" as soon as the deposit has been made.

Wrote to Mr. Garthe regarding Editorials. Writing Miss Stinson and Miss Walling to-morrow.

Best regards to all of you.

Cordially,

THEO. LOWE.

P.—If Dr. Edler asks you what position you fill at the Office, tell him you are my secretary.

Dr. Edler was connected with the German embassy in Washington.

Senator OVERMAN. What hotel was that written from?

Mr. BIELASKI. The Grove Park Inn, a very expensive hotel.

Senator OVERMAN. Most expensive, and one of the best in country.

Mr. BIELASKI. Yes.

Here is a letter showing that Mr. Garthe was connected with a paper. Mr. Garthe is the Washington correspondent for the Baltimore American and was connected with the National Courier. I wired Mr. Lowe April 13, 1917: "Have deposited money at American Security, as requested." I will come to his connection with Albert.

Senator STERLING. You say he was connected with this paper. You mean with the National Courier?

Mr. BIELASKI. With the National Courier; yes. This simply shows his relations with Lowe, and I do not think it worth reading.

Here is a letter written to the ambassador.

Senator NELSON. By whom?

Mr. BIELASKI. It is not signed, but it comes from the files of Mr. Lowe [reading]:

BIELASKI EXHIBIT No. 53.

NATIONAL PRESS CLUB,
Washington, October 27, 1916

His Excellency Count J. VON BERNSTORFF,
Washington, D. C.

YOUR EXCELLENCY: Notwithstanding Dr. Edler's instructions not to communicate with Your Excellency with further communications and the gentleman's apparent desire to have me discontinue the Courier, I deem it necessary to thank Your Excellency once more for all kindness shown to me. Our next issue will demonstrate that our commercial prospects are brighter to-day than ever before.

I discussed with your legal representative, Mr. Clifton, who is aiding in the most unselfish manner, Your Excellency's Secretary's criticism concerning the publication of the French notes as sent to us from Paris from week to week. Mr. Clifton agrees with me that the notes will help the neutral tendency of the National Weekly which, at the same time, endeavors to see the just cause of Germany, next to "Patriotism First." My labors have only just begun and my aim is to serve Your Excellency to my utmost ability.

Your Excellency's
Most grateful servant.

Senator OVERMAN. Who was his legal representative?

Mr. BIELASKI. Mr. John Clifton was a lawyer here, I think in the Woodward Building in Washington. He represented the German Embassy in some prize matters growing out of the *Appam*, I think. I believe he figured in some affairs in New York City, growing out of Mr. Morgan's office and the disappearance of some papers, and so on. What his connection with that was I do not know. In the matter he handled, I think, the final adjustment between Lowe and the German Embassy. He told me, I think, that he got for Mr. Lowe about \$8,000. I do not recall the exact figures, but Mr. Clifton told me about them, and I have no doubt he would furnish the exact details if you wanted them.

Senator OVERMAN. Where is this man Lowe now?

Mr. BIELASKI. The last I heard of him, very recently, I think he was in Philadelphia.

Senator OVERMAN. Is he connected with any press association there?

Mr. BIELASKI. No; I do not think so. He was working in some subordinate capacity there. Our Philadelphia office was keeping in touch with him.

Here is a letter dated January 8, 1917, to Dr. Heinrich Albert, written on the letterhead of the National Courier, signed by Theodore Lowe (reading):

BIELASKI EXHIBIT No. 54.

[National Courier, Second National Bank Building. P. O. box 1242.]

WASHINGTON, D. C., *January 8, 1917.*

Hon. Dr. HEINRICH ALBERT,
Imperial Privy Counsellor,
45 Broadway. New York.

MY DEAR DR.: I am in receipt of a letter from His Excellency, the German Ambassador, and am informed that the contents of my recent letter to His Excellency have been sent to you. His Excellency directs me to communicate with you directly.

Mr. Louis Garthe will accompany me to New York and he tells me that he will find it most convenient to call on you Thursday morning. Will it be possible to grant us an audience between nine thirty and ten thirty?

Mr. Garthe is known to His Excellency. Since my associate has not the honor of your personal acquaintance, he has asked me to inform you that he refers to Mr. Rudolf Hecht or Mr. Fred Chandler of Chandler and Company.

Trusting to receive the favor of an early response.

Most sincerely,

THEO. LOWE,
Publisher National Courier.

Senator NELSON. This man Garthe was correspondent of a Baltimore paper?

Mr. BIELASKI. Yes. Under date of January 9, evidently having to do with this letter, Theodore Lowe wired Dr. Albert as follows:

BIELASKI EXHIBIT No. 55.

WASHINGTON, D. C., *January 9, 1917.*

Dr. H. ALBERT,
45 Broadway, N. Y.

Concerning letter yesterday Thursday impossible. Will Friday morning be convenient? Please advise wire.

THEO. LOWE.

To which Albert replied:

BIELASKI EXHIBIT No. 56.

NEW YORK, *January 9, 1917.*

THEO LOWE,
P. O. Box 1242, Washington, D. C.

Unfortunately prevented from seeing your friend on Friday. Arrange with Dr. Bonn to see him at my office.

ALBERT.

January 4 Mr. Lowe also wrote a letter to Ambassador Bernstorff about the work of the National Courier and sending him a copy of an editorial entitled "Future trade relations of the world."

In this he makes reference to the coming call of himself and Mr. Garthe on Dr. Albert.

Senator STERLING. With what Baltimore paper is Mr. Garthe connected?

Mr. BIELASKI. I am not quite sure. It is the paper of Gen. Felix Agnus.

Senator NELSON. That is the Baltimore American.

Mr. BIELASKI. It is Gen. Agnus's paper in any event.

Dr. Albert received a letter dated January 25, 1917, from Theodore Lowe, in which he tells of having had an audience with the ambassador and hoping to hear from Albert.

A letter dated January 31, 1917, simply shows that they had a conference and asks for the return of certain papers he left there.

Here are a number of letters written by Mr. Edler, of the embassy to Theodore Lowe, but they do not show anything in particular, asking him to call, just simply showing their connection.

Here is a copy of a letter dated February 4, 1917, on the letterhead of the National Courier, not signed, of course, a carbon, which shows the dependency of the paper on the German Embassy.

It is as follows:

BIELASKI EXHIBIT No. 57.

His Excellency VON BERNSTORFF,
Washington.

ESTEEMED EXCELLENCY: We are deeply moved over the events of the last and our heart is open to you with the greatest gratitude for the many proofs of your unlimited friendship.

At any rate it should cause your Excellency great satisfaction to read expressions of recognition and the great respect on the part of the American press in the newspaper reports of to-day.

The thing that your Excellency endeavored to accomplish on a large scale—the use of your diplomatic capabilities—the strengthening of the American friendship for the establishment of a world peace—served me as an inspiration for my plans and efforts in the journalistic field.

I fear indeed that with the departure from this country of my highly valued and helpful friend, the possibility of continuing my work will be greatly limited. And I believed myself so close to the goal, striving with the consciousness that the just cause of our German friends, who play such an important part in their adopted country, could be promoted in the best way through a national newspaper such as I was endeavoring to create.

It may perhaps be within your power, Esteemed Excellency, to cause some of your friends, who are so numerous, to make it possible to continue the undertaking for which, to the greatest extent, you laid the valuable foundation. This, not from the point of view of a philanthropist, on behalf of the representation of German commercial interests, but also as a financial success which I am approaching more and more.

I, too, feel during these serious days that all my ideals for the eventual creation of a newspaper which endeavored to serve the adopted land, America, and my friends in Germany at the same time—endeavors in which I was inspired and supported by your Excellency in an unselfish manner—are lost forever.

Yours respectfully.

That was written the day after the severance of diplomatic relations.

Senator OVERMAN. He speaks of this country as his "adopted land."

Mr. BIELASKI. Yes; he was born in Germany.

Senator STERLING. And the "esteemed and valued friend" then referred to is Count Bernstorff.

Mr. BIELASKI. Yes. Here is the translation of a carbon copy of a letter, dated February 12, 1917, which we believe was addressed to Mr. Bernstorff. It is as follows:

BIELASKI EXHIBIT No. 58.

FEBRUARY 12, 1917

ESTEEMED EXCELLENCY: I have just spoken with Mr. Garthe, who told me about his conference with you. I have also discussed the matter with my wife once more and she feels as I do that my last letters to your excellency have been obviously misunderstood.

On the occasion of the interview which was granted to us a few weeks ago, it was made clear to us that it is not your wish to abandon me now as a failure, since your excellency has become convinced that all my work was carried on in your interest. To repeat your own words—the newspaper should not vanish like a soap bubble after your departure. On your part there appear to be no reasons not to continue to help me, at any rate not to supply me with the sum agreed upon until the first of April, and further to consider the possibility to assist me on a greater scale if circumstances permit, and, if possible, to interest friends on behalf of the enterprise.

Is it necessary today once more to describe to you my situation? The funds which were granted to me were sufficient to pay my co-workers, after defraying the publication expenses of the newspaper, thus leaving me personally totally without means. I explained to your excellency that there are prospects to secure shortly the participations of other interests, which, of course, would be impossible if publication of the paper should suddenly cease.

Of the funds granted to me on April 1st, one half has been paid to me to date, and I shall, therefore, be unable to meet my obligations if your excellency should suddenly withdraw now. My wife, who, next to you, has inspired me in my work, joins me in my urgent request that you grant my most ardent wish. As is known to your excellency, my wife has not been two years in this country and is totally dependent upon me, inasmuch as all her relatives live in Germany.

Respectfully.

Senator OVERMAN. Have you found any connection between Garthe and this fellow Lowe?

Mr. BIELASKI. He contributed, I think, to the paper, and, as shown, was participating in the conferences with Albert. I do not know whether his name appears on the paper or not.

Senator NELSON. I hardly think the Baltimore American could have any connection with it. Felix Agnus is an Alsatian by birth.

Mr. BIELASKI. The Baltimore paper was in no way whatever involved in this.

Senator NELSON. The Baltimore American is as loyal as any paper in the country.

Mr. BIELASKI. I think so. This was purely the connection of a man who happened to be employed by that paper, and I think entirely without the knowledge or consent of anyone connected with the paper. I do not see in this announcement anything that shows that Mr. Garthe was openly connected with it.

There is one little interesting thing that we found in looking up Mr. Garthe which might be considered interesting to the committee because of the way this war started. It shows that back as far as December, 1912, Hugo Schweitzer, who was a German chemist, had arranged an interview between Lowe and George Sylvester Viereck, and that while then connected with the New York Town Topics was being assisted by the brewers. This letter comes from Mr. Lowe's files [reading]:

BIELASKI EXHIBIT No. 59.

[New York Topics, New York's popular weekly. Published every Saturday by Theo. Lowe, 150 Nassau Street, New York City. P. O. box 1080. Office of the publishers. Ten cents a copy, five dollars a year.]

DEAR SIR: The enclosure was published in our publication several weeks ago. We are promoting your interests and ask for your support. The leading brewers in the United States aid us by subscribing for ten copies of our magazine to be sent each week to parties designated by the subscriber. The annual cost of ten subscriptions is fifty dollars.

We have a special department devoted to the interests of the United States Brewers and the articles are prepared by authorities on the subject. We fight

prohibition in an effective and dignified manner. Owing to our select circulation, we reach desirable readers. You are probably aware of the fact that Margaret Howe, a niece of President Wilson, is our Social Editor.

The enclosed list gives the names of a few prominent brewers who have aided us in our efforts. Will you kindly return the list with your signature and check?

Please call on us whenever we have an opportunity to serve you.

Most sincerely,

Editor and Publisher

The inclosed list, which contains the signatures of quite a number of breweries, shows the number of copies which they took to supply the publication.

Senator OVERMAN. You had better let it go in the record.

Mr. BIELASKI. It is back in 1912, but it shows the connection between the brewing interests and a man who afterwards was active in the German propaganda.

Maj. HUMES. What is the name of the periodical he was publishing at that time?

Mr. BIELASKI. New York Topics, 150 Nassau Street, New York City. The list referred to is as follows:

BIELASKI EXHIBIT No. 60.

TO WHOM IT MAY CONCERN:

To aid THE INTERNATIONAL AND REVIEW OF TWO WORLDS in pursuing its liberal policy and furthering our interests by means of desirable publicity, we, the undersigned, are desirous of increasing the circulation of said magazine and herewith subscribe to said magazine for such number of copies as specified below:

Theodor Finkenauer Brewing Co.

Theo. J. Finkenauer, Secy Pd. 10 copies

The Roesssle Brewery

Walter Alcarl, Manager Pd. 10 copies

Haffenreffer & Co.

Mr. BIELASKI. Marcus Braun, New York City, was the editor of Fair Play, 501 Fifth Avenue, New York City.

Senator NELSON. Before you go into that please give us the pedigree of Marcus Braun.

Mr. BIELASKI. I have it in the files. He was of Hungarian descent and came to our attention because of his close association with the Austro-Hungarian interests in New York City.

Senator OVERMAN. Was he employed at one time by the Government?

Mr. BIELASKI. He was employed by the Government as an immigration inspector, I think, under the Roosevelt administration, and made quite a study and a long report on immigration conditions.

Senator OVERMAN. He wrote a book on the subject, did he not?

Mr. BIELASKI. He may have done so. He got quite some recognition for his work as an immigration inspector.

The first connection between Fair Play, Marcus Braun, and the Germans that we know anything about is shown in a letter of February 16, 1915, in which he sent to Dr. Albert tickets for a lecture by Col. Edward Emerson, about whom I told you something yesterday.

On February 23, 1915, following up this lecture business, Marcus Braun wrote to Dr. Albert a letter marked "personal," which reads as follows:

BIELASKI EXHIBIT No. 61.

[Fair Play, a monthly review. Edited by Marcus Braun, 501 Fifth Avenue.]

Personal.

NEW YORK, *February 23, 1915.*

Dr. H. F. ALBERT,
45 Broadway, New York City.

MY DEAR SIR: I take it for granted that you were present at last night's lecture of Col. Emerson, at Carnegie Hall, and judging from expressions heard from other sources, I also take it for granted that you were satisfied with the tone of Col. Emerson's talk. While we cannot claim that the newspapers treated us fairly, yet there appeared enough about it to show that the stuff which was heretofore printed about the German side was nothing but a pack of lies and slowly but surely the truth begins to dribble through the thick sheet of fog.

While the affair was not a success financially, I concluded to continue these lectures, and I am not arranging a tour for Colonel Emerson which will carry us through all important places of the United States, with the hope that it will do a world of good.

I received a letter from His Excellency, Count von Bernstorff, wherein he informs me that you have received a number of new films which we might use to good advantage, particularly those brought by Miss Beveridge and I write to ask whether you could place some of these films at our disposal.

Where I propose to make a particular hit with the "War Talk" of Colonel Emerson is among the American population and not among the Germans and Austro-Hungarians because they know the truth without the lectures.

I need some moral and financial support, hence I appeal to you, not so much for the lecture tour, as for my publication "FAIR PLAY" which has suffered considerably since it started to take the only honest course a decent publication can take, that of telling the truth. I wish to emphasize that "FAIR PLAY" is not pro-German, nor pro-anything else but pro-American and above all, pro-truth, and because of that it suffered considerably since the outbreak of the war. It ought to be a weekly publication thereby its usefulness would be more than hundred-fold, because even as it is now, it is liberally quoted all over the country by American newspapers.

I would like to have the honor of a personal interview with you and would thank you for an early reply when and where it would be convenient for you to see me.

Yours respectfully,

MARCUS BRAUN.

CLL-MB

Here is the carbon of a letter dated February 25, 1915, addressed to Marcus Braun [reading]:

BIELASKI EXHIBIT No. 62.

FEBRUARY 25, 1915.

Mr. MARCUS BRAUN,
Editor Fair Play,
501 Fifth Avenue, New York City.

MY DEAR SIR: Replying to your letter of February 23rd I regret to say that, in spite of the great interest I take in your monthly review "Fair Play," it is impossible to assist you financially, as the funds here are already taxed to the utmost. For this reason, I am afraid that a personal interview would not alter the situation.

"As regards the films for the lecture of Col. Emerson, I shall advise you later. I will have to confer with the proper party and shall reply shortly concerning this matter.

Yours very truly,

Senator STERLING. Is that from Bernstorff?

Mr. BIELASKI. That is from Albert, and at a later date he writes him and advises him that he has no films at his disposal.

The New York World printed, and we also have copies of, a letter dated March 15, 1915, which reads as follows:

BIELASKI EXHIBIT No. 63.

[German Embassy, Washington, D. C. J. No. 4344.]

WASHINGTON, D. C., *March 15, 1915.*

MY DEAR MR. BRAUN: In answer to your favor of 12th instant I beg to state that I have read the monthly "Fair Play" for the last three years, and I state that this publication has been living up to its name and that it has always taken the American point of view. During the last 7 months "Fair Play" in its editorial policy, treated all belligerents justly and thereby rendered great services to the millions of foreign born citizens of this country, especially those of German and Austro-Hungarian origin? "Fair Play" has fought for the rights of the latter and for truth, always maintaining an American attitude and showing true American spirit.

You are at liberty to show this letter to anybody who is interested in the matter, but I beg you not to publish it, as to this would be contrary to the instructions of my Government, who does not wish me to publicly advocate any reviews or newspaper.

Very sincerely yours,

J. BERNSTORFF

MARCUS BRAUN, Esq.,
Editor of Fair Play, New York City.

In connection with that is a check, dated May 28, 1915, which is as follows:

BIELASKI EXHIBIT No. 64.

No. —

NEW YORK, *May 28, 1915.*

KUHN LOEB & Co.,
William and Pine Streets:

PAY TO THE ORDER OF FAIR PLAY PRINTING & PUBLISHING COMPANY FIVE THOUSAND —————
\$5000.00.

J. BERNSTORFF

Under date of April 16, 1915, we have a check, "Pay to the order of Fair Play Publishing Company \$2,000," drawn on Riggs National Bank, and a copy of a receipt, dated New York, April 19, 1915 [reading]:

BIELASKI EXHIBIT No. 65.

NEW YORK, *April 19, 1915.*

His Excellency Count JOHAN B. BERNSTORFF,
Imperial German Embassy, Washington, D. C.

DEAR SIR: We are very pleased to acknowledge receipt of your cheque this morning for \$2,000 and to thank you for the same together with the other description of \$1,000 given some time ago.

Thanking you again, we are,
Yours truly,

FAIR PLAY,
Per J. P. BRYAN

Again:

BIELASKI EXHIBIT No. 66.

NEW YORK, *April 20, 1915.*

His Excellency Count VON BERNSTORFF,
German Embassy, Washington, D. C.

YOUR EXCELLENCY: I beg to acknowledge the receipt of your kind letter of the 16th instant, together with the enclosure of a check for \$1,000.

MARCUS BRAUN

And a receipt dated May 3, 1915:

BIELASKI EXHIBIT No. 67.

Received \$1,500 (One thousand five hundred dollars) from German Embassy, Washington.

Washington, D. C., May 3, 1915.

MARCUS BRAUN.

There is other correspondence here——

Capt. LESTER. Mr. Bielaski, that last payment of \$1,500 was a personal payment to Marcus Braun from the German Embassy, was it not, and not in connection with Fair Play?

Mr. BIELASKI. There is nothing to show that it was. The receipt I think shows that it is a part of the official receipts of the German Embassy. It has a number on the corner, 228.

Capt. LESTER. Mr. Marcus Braun in his statement before Mr. Becker admitted receiving from the German Embassy \$10,000 for the Fair Play magazine, but denied that he ever received any money personally.

Mr. BIELASKI. I do not know of any way of determining just what that was.

Capt. LESTER. In his statement he said all the checks were paid to the Fair Play Publishing & Printing Co.

Mr. BIELASKI. I would take it from that receipt—that does not say a check. It says "\$1,500," and is signed personally by him instead of by Fair Play.

Capt. Lester suggests the introduction into the record of a photographic copy of a code message which was taken from the von Igel papers. Von Igel was the successor of Capt. von Papen after he returned. It shows the German code numbers with the code words from them, and the translation is as follows:

• BIELASKI EXHIBIT No. 68.

In re No. 303. Euphrat was sent by me to India in October of last year, and is so far as known here reliable. He was indeed recommended at the time by Marcus Braun. Please intimate to him cautiously that he should not tell this person too much about his orders received in Berlin.

San Francisco is being informed.

For: Hatzfeld.

Mr. Euphrat was sent to India by the German Government, and was a Government witness in the Hindu trial at San Francisco.

Senator STERLING. For what purpose was he sent to India?

Mr. BIELASKI. I do not know just what his testimony was out there in San Francisco, but the obvious purpose was to observe and report on conditions in India with respect to anti-British agitation.

Senator NELSON. The work of the German propaganda was to get up insurrection?

Mr. BIELASKI. That was their propaganda, and in addition it was their active efforts. As you know, they have been convicted in large numbers in San Francisco for actually inciting that sort of thing.

Senator NELSON. The consul general and the whole staff were convicted?

Mr. BIELASKI. For actually setting on foot in this country military expeditions intended to bring about a revolution in India. They shipped arms and ammunition, a number of Hindu leaders going along, but their plans miscarried.

Under date of December 24, 1915, is a letter from Marcus Braun to Dr. Albert. He acknowledges with thanks the receipt of information sent by Albert, and he asks that Albert in communication with him do not use the mails. He does not think it is safe. The letter is as follows:

BIELASKI EXHIBIT No. 69.

[Marcus Braun, editor Fair Play, 501 Fifth Avenue, New York.]

DECEMBER 24, 1915

Dr. H. ALBERT,

Privy Councillor, 45 Broadway, City.

MY DEAR SIR: I beg to acknowledge with thanks the receipt of the late copies of the weekly report published by the American Association of Commerce and Trade in Berlin and thank you very much for your readiness to place them at my disposal. While they arrived too late to be of much use for the January issue, I may be able to use the information contained therein, later.

I would like to invite your attention to the fact that when addressing me kindly not use the United States Mail. As strange as it may seem, I note that my mail is being tampered with both at my office as well as my home. I have already two complaints to the Post Office Inspectors, but so far I have not received a satisfactory reply to my complaints. In answer to my first complaint I was told that I am mistaken. The second, which I made about a week or ten days ago, I am still awaiting the reply to. If I do not get relief from that source I shall endeavor to have a Congressional investigation made.

While I do not think for one moment that the Post Office authorities of this country are in any way to blame for the tampering with my American mail, yet I must assume that some foreign agents or representatives of our sensational press have corrupted some man in the employ of the Post Office Department who probably have the opportunity of opening my mail before delivery and while I have no correspondence with any one which could not be scrutinized by anybody, yet as a citizen of this country I resent an unlawful act of this sort and if I should be able to lay my hands on the malefactor I shall certainly go a long way to see that proper punishment is meted out. In the meanwhile, the less occasion given to tempt such culprits in their unlawful acts, the better; and hence my request not to use, if possible, the U. S. mail for the time being.

With renewed thanks for your readiness to secure for me the information needed, I beg to remain,

Yours very truly,

MARCUS BRAUN.

Under date of January 21, 1916, Albert addressed Mr. Lindheim a letter which reads as follows:

BIELASKI EXHIBIT No. 70.

Strictly confidential.

NEW YORK, January 21, 1916

Mr. NORVIN R. LINDHEIM,

60 Wall Street, New York City

MY DEAR MR. LINDHEIM: Mr. Marcus Braun, who claims to have done very much for the German cause by making the "Fair Play" a pro-German publication, has informed the Ambassador and myself that unless he is furnished with funds to the amount of \$4,600—the "Fair Play" as well as his newspaper service, "The Universal Press Association," must become bankrupt.

I hate to pay this sum and would very much prefer to let the undertaking become bankrupt. Braun is quite willing to agree to this if we had no objection to what he calls, the unavoidable publicity. Will you please inform me what kind of publicity might arise of such a bankruptcy case.

I need not mention that there are some particular delicate points in connection with this matter which I would like to discuss with you, as soon as you have looked over the papers which I send you herewith. As the matter is rather urgent I would be obliged to you if you could discuss the matter with me to-morrow morning between 10 and 12 o'clock.

Yours, very truly,

Senator OVERMAN. By whom is that letter signed?

Mr. BIELASKI. That is a copy of a letter which I believe to have been written by Mr. Albert.

Under date of January 26, 1916, is the translation of a letter addressed to Ambassador Bernstorff, written from New York, I think by Dr. Albert.

It is as follows:

BIELASKI EXHIBIT No. 71.

[Translation.]

NEW YORK, *January 26, 1916.*

YOUR EXCELLENCY: You gave me the authorization to come to a final understanding with Marcus Braun in the matter of the suspension of his publication "Fair Play."

Mr. Braun has been receiving lately, as you remember, on the basis of an authorization from Berlin, a monthly subsidy of \$1,200 to which sum I succeeded in reducing his original demand of \$4 000 per month. Braun declared as lately as last December, that he could not make both ends meet with that figure and would have to suspend publication unless he received a larger subsidy. With reference to this, I discussed with him, with Your Excellency's authorization, the usefulness of his publication in the German cause and made clear to him, according to my construction, we should not have sufficient interest in it to continue the publication or to subsidize it with a greater sum. Mr. Braun thereupon declared that we would be obliged in such circumstances, to let the undertaking go into bankruptcy. He referred to the publicity involved which would be undesirable for us a reference which embodied the hint which was not to be misunderstood that he, in case he were left in the lurch, would have no interest in avoiding the scandal for the German cause which would arise in case of the bankruptcy of "Fair Play." What this hint means, needs no further explanation.

Although I believe with your Excellency, that the scandal should be avoided in any case, and, therefore, with your authorization, take pains to come to a peaceable compromise with Braun, I still considered it from the beginning out of the question to satisfy his demands to the full extent. Such a yielding would have incited him to continual new demands and also extortion without end. I, therefore, declared to him at first that we would not be afraid of a bankruptcy,—that it might rather be desirable for us insofar as the lack of any support on the part of Germany, would thereby come to life, and similar arguments. At the same time asked him for substantiation of his statements. It appears from the enclosed summary that about \$3,000 of debts have been incurred while the payments on shares in the undertaking amount to approximately another \$3,000.

Mr. Braun claimed on this basis about \$6,000. and took occasion on account of my refusal to annoy Your Excellency by personal calls or calls from his wife, to increase the pressure. As the matter stands these calls will be, in fact, regarded upon as undesirable.

Under the circumstances, I finally came to an agreement with him that bankruptcy was to be avoided. To this end I would put at his disposal sufficient means to meet his debts. The stockholders, on the other hand, would have no claims in the bankruptcy proceedings. Therefore, there was no occasion for me to take over these amounts. It should rather be left to the stockholders to see what they could do with their shares which, in the absence of assets, are valueless. Braun finally agreed to these terms. The sum of \$3,074.20 was paid to him on that understanding. He has given a receipt, which is enclosed, for this sum.

I think I may assume that the above solution is the best way to dispose of the affair so far as an understanding can be arrived at now with a "black-letter." There is no complete security in this direction. I have, however, a well based hope that further payments for the avoidance of a scandal which, for political reasons, is undesirable, are not necessary. The amount expended by me was returned to me from the propaganda fund of Mr. Fuehr.

Senator KING. Have you any record of payments made to Braun by the Austrian Embassy or representatives of the Austrian Embassy for Dumba?

Mr. BIELASKI. I do not think we have. We have records showing that Braun, when he went abroad, carried with him certain records of the consulate to be delivered in Vienna. They disappeared from the boat, according to his testimony. We also have testimony from people who were associated with Braun that the purpose of his trip to Vienna was to get a subsidy from the Austro-Hungarian Government, and that he stated while over there that he had succeeded in doing it. We have not any documentary evidence, and I do not know what the actual facts are.

Senator KING. My recollection was that there was some evidence either in your department or the Post Office Department, showing contributions to him by Mr. Dumba.

Mr. BIELASKI. I am not certain as to that. I have already introduced records of payments from Bernstorff. I have no knowledge that he actually got payments from the other people.

Maj. HUMES. What was the date of that last letter you read?

Mr. BIELASKI. January 26, 1916. Inclosed in the letter is a statement of the assets and liabilities of the Universal Press Association which was the Fair Play Co.

Maj. HUMES. Who was associated with Mr. Braun in Fair Play?

Mr. BIELASKI. A man named Joseph P. Bryan. Joseph P. Bryan is one of the men who obtained money from the German Embassy.

Senator NELSON. Is the paper Fair Play still published?

Mr. BIELASKI. I do not know.

The only other interesting thing here is a proposed draft of a circular letter which was inclosed, which Mr. Braun was going to send out, which is as follows:

. BIELASKI EXHIBIT No. 72.

PROPOSED DRAFT OF CIRCULAR LETTER.

DEAR SIR: The subscribers, friends and supporters of this publication will learn, perhaps with regret, the announcement that the publication of the periodical has been temporarily suspended. All claims for any indebtedness have been, or will be paid in full and so will all unearned subscriptions be refunded in every instance.

The main reason for the suspension of the publication lies in the fact that, owing to the peculiar conditions existing at present in this Country, and more particularly owing to the hue and cry that is being raised against every person who is not out and out pro-Ally, I have decided to take this step. Personally I could well afford to have me called names, to have suspicion cast upon me and to have my Americanism questioned, but I cannot afford that the same fate and the same annoyance and the same suspicion should be cast upon my friends and supporters, many of whom have been harassed by visits, inquiries and threats from real or alleged secret service men, agitators, provocateurs and representatives of yellow newspapers. While it is a very sad commentary on the seemingly insane attitude of the country, I feel quite certain that the American public as a whole cannot and should not be blamed for it. It is however a pretty sad testimony for the spirit presently dominating this country, when a public man after twenty-five years of residence and nineteen years of citizenship, out of which nineteen years he spent seven in the service of the Federal Government and for four years was an officer in the State of New York, should have his good citizenship and his Americanism questioned by a man like Rathbone of Providence, R. I. or by men of the type of Prof. Pupin, Dr. Gorizer, and for that matter, also by greater and less "lights" who are temporarily running the destinies of this country. If

Americanism should depend on a certificate of good character from such individuals, then I say, it is not worth while having such citizenship.

However, that is neither here nor there. The publication will be temporarily suspended, until such time when the sane people of this country will again come into their own: then, I hope to revive the publication again.

Thanking one and all for the support which has been given this publication for over four years, I beg to remain

Yours respectfully,

Senator OVERMAN. Do you know what position Braun held in New York as an officer?

Mr. BIELASKI. I do not. I suppose it was something in connection with immigration. That was his connection with the Federal Government.

Capt. LESTER. He was special immigration officer.

Maj. HUMES. Do you know whether or not Joseph P. Bryan was formerly connected with Viereck's Magazine?

Mr. BIELASKI. I do not know. Mr. Bryan, of course, became an assistant to the Government, and gave us a great deal of information, and we have a complete story of his history in our files. I have not got it with me.

Maj. HUMES. Do you remember how the stock that was issued to Bernstorff was held? Was it delivered to him, or was it held in escrow or otherwise by a third party?

Mr. BIELASKI. I think it was held by a third party. That appeared in some of the correspondence.

There is one more mention of Mr. Braun, which is of interest, which appears in the English translation of a cipher from Bernstorff to the foreign office, dated October 27, 1916. This letter discusses a number of things and particularly Marcus Braun. I read part of it yesterday, but I think I might as well read it all. [Reading:]

BIELASKI EXHIBIT No. 73.

In the official accounts for the first and second quarter of 1916 will be found entries of payments to Mr. Theodore E. Lowe. As to this I have to report that this gentleman is a German origin and married to a German lady. He offered us his services, as he founded a weekly paper in Washington, the "National Courier." This offer came at the time when we were deploring the death of Mr. John R. Maclean. This latter had given his newspaper an entirely anti-English character, so that his death left a great gap which the "National Courier" can unfortunately never hope to fill. The "Washington Post" has since been fairly neutral, but may be entirely lost to us if it can not, as is very desirable, be put into the hands of Mr. Hearst.

As to the value of weekly papers in general, there are here very different views. Mr. Bayard Hale wishes me to propose to you the founding of a first class weekly, whereas I in my report No. 412 recommended the starting of a monthly. Personally I think it entirely depends upon whether we make a happy choice in respect to the editor. In this respect we have had a very unfortunate experience with the "Times Mail." Only the future can show whether we shall have better luck with Mr. Huntington Wright and Mr. T. E. Lowe? In either case the expenses already incurred, or to be incurred, are insignificant. Moreover we could only grant them in order to help the publications in question over the difficult initial period. A permanent support has neither been promised nor asked for. The fact of an American newspaper being subsidized can never be kept secret because there is no reticence in this country. It always ends in my being held responsible for all the articles of any such newspaper. This is particularly undesirable when, as now, we are in an electoral campaign of the bitterest character, which is turning largely upon foreign policy.

I have therefore with much satisfaction to myself at last succeeded in getting out of all relations with "Fair Play" of Marcus Brun. I should also be glad to be free from the "Fatherland" which has shown itself to be of little value.

It is particularly difficult in a hostile country to find suitable persons for help of this sort, and to this, as well as the *Lusitania* case, we may attribute the shipwreck of the German propaganda initiated by Herr Dernburg. Now that opinion is somewhat improved in our favor, and that we are no longer ostracised, we can take the work up again. As I have said before, our success depends entirely upon finding the suitable people. We can then leave to them whether they will start a daily, weekly or monthly, and the sort of support to be given. In my opinion we should always observe the principle that either a representative of ours should buy the paper, or that the proprietor should be secured by us by continuous support. The latter course has been followed by the English in respect of the "New York" ——— and our enemies have spent here large sums in this manner. All the same I do not think that they pay regular subsidies. At least I never heard of such. This form of payment is moreover inadvisable, because one can never get free of the recipients. They all wish to become permanent pensioners of the Empire and if they fail in that, they try to blackmail us.

I therefore request Your Excellency to sanction the payment in question.

This is a very true statement of Mr. Bernstorff, I think.

In the sentence, "The latter course has been followed by the English in respect to the New York ———", the translation of that name does not appear, and I understand it could not be translated.

Senator NELSON. By whom was that sent?

Mr. BIELASKI. By Bernstorff to the German foreign office.

Maj. HUMES. What was the date?

Mr. BIELASKI. October 27, 1916.

Senator STERLING. Who is the Huntington Wright referred to in that letter?

Mr. BIELASKI. I did not bring our files along. Suppose you let that go until after lunch, and I will get the file about him.

Under date of November 2, 1916, we have the English translation of a telegram from Bernstorff to the Foreign Office, through Buenos Aires and Stockholm, which was furnished us by the State Department, as was the one I just read, with permission to use it. [Reading:]

I request by return, telegraphic authority for payment of \$50,000 to establish a first class monthly magazine.

Senator NELSON. By whom was that sent?

Mr. BIELASKI. To the German foreign office via Buenos Aires and Stockholm.

Here are a series of telegrams furnished by the State Department. The first one is an English translation of a telegram from Von Jagow, sent through Stockholm and Buenos Aires to Bernstorff on January 31, 1916. [Reading:]

Klaessig's wireless telegrams are much too long and give the impression of being much too one-sided, a thing which absolutely must be avoided.

Here is the English translation of a cipher dispatch from Bernstorff to the Foreign Office, dated February 2, 1916, which reads as follows:

A 61. The Director of the Press Bureau, Dr. Fuehr, has been paid \$20,000 from the Embassy Fund as advance for his press expenses. The Press Bureau will send in a statement as the expenditure and the sum will be entered in the fourth quarter of the Embassy Accounts.

Here is the English translation of a telegram from Berlin to Washington via Stockholm and Buenos Aires dated September 16, 1916. [Reading:]

BIELASKI EXHIBIT No. 74.

The reports of the Wolff Bureau agent are rightly criticised by a part of the German Press as one sided, as he has reported for some time nothing but indignation against English encroachment which nobody here takes seriously.

As the matter will probably be taken up in the Reichstag more unbiased reports seem to be urgently desirable.

Please advise Klaessig in this sense.

Some of the other activities of Mr. Klaessig can be briefly sketched.

August, 1915, he was in conference with Boy-Ed about the sending of a cable on the preceding Friday about the *Arabic*.

Senator OVERMAN. How do you spell that name?

Mr. BIELASKI. K-l-a-e-s-s-i-g.

Senator OVERMAN. What is his business?

Mr. BIELASKI. He is the New York representative of the Wolff Agency. He is an American citizen, lives over in Jersey, I think, but his work is in New York City.

October, 1915, Boy-Ed made a special request to Klaessig to get wide publicity for the story of the killing of certain German sailors by the steamship *Nicotian*, and also to send wires to the other side.

Klaessig was particularly anxious to know whether the ambassador was asking this favor of him and wanted to get credit for everything he did.

October 7, 1915, Klaessig and Boy-Ed had another conference about the same matter. On the same day they had a second conference.

October 13 Boy-Ed sent to Klaessig a lot of data in connection with this same story.

All during October, 1915, and November, 1915, Klaessig and Boy-Ed were in constant touch about the sending of pro-German stories from this country to Germany. Boy-Ed was particularly concerned at that time because of the Hamburg-American Line case which was on trial, and in which, of course, he was involved. He was very desirous that Klaessig should show Boy-Ed up in the proper light to the Berlin folks at home in his messages, and he had a great many conferences with him for that purpose.

Senator STERLING. Klaessig has not been proceeded against in any way?

Mr. BIELASKI. No; and I do not know of any way in which he could be.

I said something awhile ago about the play "Blood is Thicker than Water," and this is a photographic copy of the communication from the man who succeeded Dumba in charge of affairs at the Austrian Embassy, sending a check for \$250. Here is an extract from that memorandum, of which I did not have the complete translation. [Reading:]

I am under the impression that we could, if not entirely prevent the production of war material in Bethlehem and the middle west, at any rate strongly disorganize it and hold it up for months, which according to the statement of the German military attaché is of great importance, and which amply outweighs the relatively small sacrifice of money.

Senator NELSON. In whose letter is that?

Mr. BIELASKI. That is in the letter of Ambassador Dumba to the foreign office transmitting this plan.

Senator NELSON. Of Archibald's?

Mr. BIELASKI. Of Warm's, which was taken from Archibald's.
 Senator NELSON. Yes.

Mr. BIELASKI. Warm was a very interesting character, formerly a member of the parliament of Austria-Hungary. He is dead now.

Senator OVERMAN. Was there any prosecution of Warm?

Mr. BIELASKI. No; there was never any prosecution of Warm. Warm, as I said, confessed shortly after this, to an agent of the department here in Washington, and made a very complete statement, and we had hoped to use Warm as a witness in the prosecution of Consul General Von Nuber. That was the plan of the department; but it did not develop.

The American embargo conference is a matter with which I suppose every Member of Congress has a great deal of familiarity. It was organized in the summer of 1915, and a good statement of its early history and intentions is contained in a report addressed to William Bayard Hale. This is addressed, for some reason, to the Hon. William Bayard Hale, 342 Riverside Drive, New York City. [Reading:]

BIELASKI EXHIBIT No. 75.

DEAR SIR: The following is the report of the American Embargo Conference to the members of its national board, on the work of the conference during the month of August.

Hale's name was put on the letterhead of the American embargo conference, relying on his well-known attitude, but he did not desire to remain on, and asked that it be taken off, and it was taken off.

Senator NELSON. What date is that, what year is it?

Mr. BIELASKI. This was in 1915. [Continuing reading:]

The organization of the American Embargo Conference was first formally discussed at a meeting held in Detroit on July 10. This meeting was attended by representative men from Illinois, Ohio, Indiana, Michigan, Minnesota and several other States.

At this meeting numerous plans were canvassed in an effort to adopt the one that would be most likely to bring about the success of an embargo movement, and when the plans had been outlined the committee adjourned to allow the representatives to consider them all thoroughly with the understanding that they would be again canvassed at a meeting to be held in Chicago on July 24.

On this date, July 24, the committee again met in Chicago and spent the entire day in going over the different suggested plans. After a long and satisfactory debate it was finally decided by all present that the American Embargo conference should become a permanent organization, and that it would proceed along the plan that will now be outlined.

THE PLAN.

It was decided by the representatives of the Conference that the only hope to accomplish results was to set at work to bring about a thorough and complete organization of the voters of the United States who were in favor of having an embargo declared upon the shipment of arms and munitions of war to the belligerent nations.

It was decided that the only successful way to bring about such an organization was to inaugurate a postal card canvass of the entire country.

It was decided that mass meetings where speakers aired their opinions and the delegates passed resolutions calling upon congress and the administration to act were a waste of time as congress and the administration—far away in Washington—were not affected by the airing of sentiment in any one local community.

It was decided that the circulation of petitions calling upon Congress and the Administration to act were a waste of time and of money for Congress

and the Administration have been continually flooded with petitions and memorials until the direct route of a petition or memorial is from the post office to the waste paper basket.

It was decided that the only way in which practical results could be hoped for was to proceed in a practical way, and it was decided that this way was the circulation of postal cards bearing pledges that all signers should sincerely promise to stand in line at all times in support of the movement. It was made plain that this work should include the task of impressing upon each signer that he was not signing a mere petition—always so useless—but that he was joining a movement where he was not only expected to give the support of his own vote but was expected to win over other voters.

And this has been made plain at all times during the canvassing work of the Conference with the result that we can say that so far as it is humanly possible to know the enrolled pledges on the Conference lists are the names of voters who will back the organization in all of its demands for an embargo.

This, in brief, was the original plan of the Conference. Since that time we have held true to the original plan but since headquarters have been opened and the work has been pushed experience has taught us where to improve upon the original outline.

The first weeks of the campaign taught us that it would be necessary for the Conference to depend in many ways upon the workers in the different localities and this brought about the plan to establish local branches of the Conference in all of the cities, towns and villages of the United States.

This work has been pushed rapidly during the past two weeks and already the Conference has found that the local organization plan will make it possible to have the vote lined up and under orders in time to make it possible for the voters to show the congressmen a strength that they will be afraid to ignore.

The method of doing this has been to secure the name or names of persons in different localities who are known to be strongly in favor of an embargo. We have secured these names in different manners. In one way we sent out letters to the editors of the different German papers of the country asking them to supply us with names. Again we took the names of writers who had secured some of our postal cards and had not contented themselves with sending in their pledges but had written for more cards, or had sent in contributions to help the movement, or had written to ask in what manner they could give their services.

To all of these men letters were sent explaining the plans of the Conference. With the letters went copies of our campaign book (a copy has been sent to you) and then the men have been called upon to call together as many sincere friends of the movement as they could find, to form a committee, elect officers to represent the local branch of the American Embargo Conference, to appoint ward or district leaders and to instruct these leaders to enlist workers who would not only sign the pledges but who would join in the canvass and secure additional voters.

And again we must point out that in each case it has been emphatically pointed out that the enlistment of voters must be the enrollment of only those who are for an embargo, that the voter who is willing to sign any petition presented to him and then forget it is not wanted, and that it is imperative that we have only voters completely for us on our lists.

In addition to all this a staff of German-American speakers under the direction of Dr. Herman Gerhard, has been at work among the German-American organizations of Chicago, the state of Illinois, of Indiana, of Michigan, Wisconsin and Nebraska, and these speakers have been teaching the doctrine of organization until we can say that it has been well drilled into the German-Americans of these sections and already they are at work lining up the voters of other nationalities.

The active work of the Conference has been in progress but a month. Headquarters were opened in Chicago on the first of August in office suite 905 of the City Hall Square Building. At the July 24th meeting the Rev. George B. Hancher, of Mt. Carroll, Ill., was elected chairman, Will R. MacDonald, of Chicago, was elected secretary.

In the absence of the chairman, Mr. Hancher, Mr. G. H. Jacobsen has been acting as chairman.

With the headquarters opened the work of organizing the voters was at once taken up. Attention was first paid to the city of Chicago, then the surrounding towns and villages were taken up and then the work extended to the cities and towns of the state. The work spread to Indiana, Iowa, Wisconsin,

Minnesota and Nebraska, and now we can report that organization work is being rapidly pushed in the following states:

Illinois, Arkansas, Minnesota, North Dakota, South Dakota, Iowa, Alabama, Texas, Missouri, Wisconsin, New York, Michigan, Wyoming, Ohio, Nebraska, Montana, and California.

To aid in the initial work in Illinois Dr. Gerhard, an excellent speaker and a most successful organizer, was brought to Chicago from Texas, and as has been said before was placed in charge of the speakers of our German-American bureau. Dr. Gerhard first devoted his time to the German-American societies of Chicago and his success in securing their hearty support and offering assistance was such as to lead the Conference to determine to add more speakers and these men are now being sent out as rapidly as our funds permit. The Conference is in need of more speakers for these men hurry their work of organization in the different towns and make it possible for the committee to begin work properly and with the correct knowledge of what they have to do, but lack of funds prohibits the employment of others just now.

IN CHICAGO.

It can be reported to you that the work in Chicago, and in the state of Illinois as well, is now well organized and each day adds hundreds of people to those already sent in to us by the citizens of Chicago. The same may be reported from the state. Our cards have now reached all sections of Illinois and with each mail we are getting orders for additional cards.

We would call your attention to the fact firstly that these cards are not filled with the names of German-American voters, but include in their list many names distinctly English, French, Irish, Swedish, Danish and of other nationalities.

That many of the voters who call at our headquarters are of nationalities other than German; that some of the most enthusiastic letters received are from men whose names indicate that they are NOT German-Americans, and that all in all our canvass and the enrollment of voters is proving more and more each day that there is a great and growing sentiment in favor of the embargo simply waiting to be called out and organized and that neither the administration or the politicians appreciate what the real feeling of the country is.

In this regard we would refer you to the letter from United States Senator John D. Works of California. He reports that he finds this condition of sentiment existing in the west and what he has found in California and that situation of the country we are finding in the middle west.

We cannot state too emphatically that the sentiment exists throughout the country. Lack of moral courage, as Senator Works states, is the only thing that is curbing its expression, and if we can push our work in a large enough way we are sure that the necessary moral courage can be distributed.

Aside from Chicago and the state of Illinois which are being well cared for at the present time we must point out that with the short time we have been at work we are already well established in Indiana, Iowa, Wisconsin and Nebraska.

Our organization work in the Indiana towns has been directed by skilled men of political experience—many of them former workers of the Progressive party—and we can say that Gary and Hammond are well organized; that Fort Wayne is being attended to at the present moment with two organizers from here at work there—a state convention of the German alliance being in session—that our work in Evansville will be started by Evansville men as soon as they return from the Fort Wayne convention, and that in Indianapolis the work of organizing the local committee has been started.

Nebraska is making a wonderful showing. Dr. Gerhard made a trip through a number of the cities and towns of that state and since then work of organization has been started in practically every northern and western town of the state. We are finding in Nebraska some of the most enthusiastic workers of our organization. Bankers, churchmen and professional men are calling on us for orders and for cards and we feel sure that Nebraska will be one of the first of the states to be thoroughly organized and that it will be able to show a vote total that will make the representatives of that state take notice when the demand is made.

In Milwaukee the work is being taken up by a number of prominent men there. Mr. Jacobsen visited them last week and outlined what we were planning.

ning to accomplish and we expect to soon be able to make a full report on the work in Wisconsin.

Following his visit to Milwaukee Mr. Jacobsen accompanied a number of the Milwaukee men to St. Paul and Minneapolis and after a series of conferences held there with certain leading men it was decided that this group of men there would take care of the organization work in Minnesota and the two Dakotas. We have already done some work in Minnesota and have started several local organizations and when the St. Paul group take up the work we will turn over this work to them.

In the other states listed in this report some of the towns are organizing but this work has not had time to progress very far as yet, but there has been a very good return of signed cards from all of these states. We are depending a lot on the names on these cards and the letters that come with them to furnish us the names of the men that we must call upon to take charge of the organization work.

For Chicago we are receiving from 1,500 to 2,000 pledges daily, and from the country at large the number of daily pledges received can be placed at from 1,000 to 1,500. When it is pointed out that these pledges from the country at large are coming in with almost no organized and systematic work, other than from the headquarters here it can be seen what local organization and complete systematic campaigning will be able to do.

In regard to the returns of pledges it must be pointed out that during the short time that we have been at work we have been seriously handicapped through no fault of the Conference. To begin with the so-called "exposés" of the New York World, printed in the Chicago Tribune and other papers of the middle west, hurt us as it made those who were weak in moral courage hesitate about declaring their real sentiments. Fortunately these "exposés" were so laughable that they failed in their purpose and really did good, though we have to wait for results, as they brought home to the people just how desperate were the attempts to brand everything as a "pro-German propaganda."

But before the sensation of the "exposés" had died down there came the mysterious murder of a minister in Gary, Ind., and again the press instead of devoting its columns to stories of the murder shouted German plot and tried to involve the Conference in the scandal. Representatives of the press, particularly of The Tribune and The Journal—the last named a rabid anti-German paper—called at our headquarters and endeavored to secure some fact that would identify us with the general sensation.

They failed in this as we were able to show that the slain minister was not a member of our Conference, and the visit of the press men gave us the opportunity to drive home the fact that ours was an American organization, that all of its members had to be Americans as our members had to be voters, and when it was shown that the organization was receiving the moral support of such men as Senators Hitchcock, Works and Hoke Smith they departed satisfied that this was one organization that was not a "pro-German movement."

In this way the murder mystery too probably aided us for our future work as the Chicago newspapers are now satisfied that this movement is an American one.

THE CANVASSING WORK.

A word as to the method of working in this canvass. German literature prepared by Dr. Gerhard (Copy sent to you) was, and is being, distributed throughout Chicago and the country at large. This, of course, goes to the German-American societies and to the German Americans who have demonstrated their interest in the movement.

In addition to this we have been extensively circulating the Dr. Hale pamphlet "Thou Shalt Not Kill"; the Rev. Dr. Charles F. Aked's pamphlet "Private Profit and the Nation's Honor"; another pamphlet including an editorial by William Randolph Hearst on "If We Cannot Support Ourselves with Arms in Time of War; Why Not Supply Ourselves Now"? the editorial by George W. O'Reilly "England Has Stopped Our Shipment of Cotton, Should We Stop Our Shipment of Arms?" and the speech "Our Patriotic Duties" delivered before the Chautauqua meeting at Jacksonville, Ill., this month by Col. Jasper Tucker Darling. (All of these sent to you) Also to the workers who have volunteered to aid us in organizing we are sending copies of our campaign book which outlines our plan and what we hope to accomplish.

Added to this we arranged with the Chicago American to send throughout the country copies of the paper that carried the editorials of Mr. Hearst and

Mr. O'Reilly. More than twelve thousand copies of these papers were sent out. They went out in bundles of from 25 to 300 and letters went at the same time calling upon the men that they were sent to to see that they were properly distributed.

We would call attention to the fact that every one of these papers reached a reader and that all of the men who had been called upon to help the distribution wrote back and reported that he had gladly done so and asked what he could do next. When it might be said that many of these men called upon were men whose names had been given to us as men who might be interested in our work and that without an exception they proved to be men willing and anxious to help the cause it might be taken as a good indication of how the sentiment is to be found around the country. These papers went to Minnesota, Wisconsin, Nebraska, Montana, Texas, Florida, Alabama, Iowa, Indiana, Michigan and Dakotas.

Their distribution also found us a number of men to act as organizers for local committees for we answered all letters showing interest in our work and called upon the volunteers to take up organization for us.

Not only are the voters of the different towns and cities showing by their prompt response to our letters that they believe that our plan is the practical plan and the one that will be able to accomplish results but they are writing to tell us that they feel that we are going about it the right way and the only practical way.

Moreover it is being proved that many think our plan the practical way because we are receiving letters from men of worldly experience who have heard nothing of us except some mention in the paper and who hasten to warn us to avoid petitions and mass meetings and to spend our funds in some practical way.

We are attaching a letter of this kind which was sent to us while a letter from us was on our way to the writer in which we were asking him to undertake some of the organization work for us. A study of this letter will show that Mr. Lohss was unconsciously calling for what we have undertaken.

We are also attaching copies of letters from Senators Works and Hitchcock. We call your attention particularly to the letter of Senator Works and to the part where he outlines how Los Angeles stands and what he believes should be the sentiment throughout the country.

The one point that we want to make plain to you in making this report is that as we proceed with the work we are becoming daily more convinced that it is the only practical method that can assure success.

Our canvass of the country, and the reports brought to us by men who are continually traveling about the country, demonstrate that—outside of Washington and New York—the sentiment of the country is rapidly turning in favor of having an embargo declared.

This feeling is growing daily and now is the time to push the work to the utmost.

The people are ready for it.

The American Embargo Conference has weathered all charges of being "pro-German propaganda" and has forced the papers to believe that it is, as it claims, an American movement.

The people are beginning to be brave enough to come out and declare for what they have long felt—an embargo.

And we repeat that with the time ripe for striking hard and rapidly everything possible should be done for this one movement.

We are doing all that is possible with the funds at our command. With more funds the work could be pushed more rapidly. As the local organizations come into existence they must be supplied with campaign literature and with all important postal cards for the pledges.

There is not the slightest doubt in our minds that the voters who are joining our organization will stand with us. Also there is no doubt but what already the congressmen and other politicians are beginning to realize that this vote is being organized.

We have now reached the point where we are willing to let them know that it is being organized, and in fact we want them to know that it is being organized.

The time is past when they can stop our work with cries of "pro-German propaganda" or "German plot."

Today J. J. Tobias, of the Friends of Peace, in an interview in the Chicago Herald declared that the Teutonic voters of the country to the number of 5,000,000 were "going to raise hell with any party not in our favor."

month ago this statement would have called down the wrath of a score of editorial writers. Today the editorial writers and the politicians are wondering just how close to the right number of voters Mr. Tobias was when he put the figure at 5,000,000.

And if the American Embargo Conference's success continues to grow as it has been growing during these early and trying weeks of its short career the politicians of the country will find that the "Teutonic voters" of the country are not standing alone but are lined up with other Americans in a body of Americans who are all real Americans and of so many nationalities that no one will dare to drag out one nationality and attempt to hold it up to scorn as the friends of the Munitions forces have been attempting to do with the German-American vote.

We will now report briefly on the business end of the work of the Conference.

Since our organizing the contributions have totaled.....	\$4,273.20
Our expenditures have been.....	4,002.40
Debts unpaid.....	765
Contributions uncollected.....	750.00

Of the expenditures \$750 went for the initial expense of fitting up our headquarters, for furniture, typewriters, installing telephones, office supplies, etc.

Of the amount still unpaid \$659.25 is for printing of cards and pamphlets.

Cards have been printed especially for; the City of Chicago; Illinois, Indiana, New York, Arkansas, Alabama, Kansas, Minnesota, Missouri, Ohio, Texas, Nebraska, Iowa, Wisconsin, and Michigan.

Attached to this you will find the copies of the letters referred to in this report.

Very truly yours,

THE AMERICAN EMBARGO CONFERENCE.
Per.....

Acting Chairman.

Senator NELSON. In that document which you have just read you refer to Jacobsen. I suppose he was the German consul?

Mr. BIELASKI. No; Reisswitz was the German consul, but Jacobsen has been convicted and is under penitentiary sentence for his activities.

Senator NELSON. That is Jacobsen?

Mr. BIELASKI. Yes; he ranks, therefore, very easily with the German consul.

Senator OVERMAN. We hear a good deal about this man Gerhard and his activities. Is he from Texas?

Mr. BIELASKI. Yes. There are two Gerhards, Senator; Meyer Gerhard, who returned to Germany, who came over here as a member of the original Dernburg-Albert commission, and this man.

Senator OVERMAN. By whom was that long document signed from the American Embargo Conference that you read a moment ago?

Mr. BIELASKI. That was not signed, Senator. It has at the bottom "per Acting Chairman," and the acting chairman was Jacobsen.

Senator OVERMAN. It was written to Hale, was it not?

Mr. BIELASKI. It was written to Hale, yes; and found its way to Dr. Albert.

Senator NELSON. Have you a list or could you furnish a list of the principal men who attended this meeting?

Mr. BIELASKI. Yes; we will come to that, Senator.

Senator NELSON. All right; proceed.

Mr. BIELASKI. We will also come to the part the German Government had in it, and so on.

I think these letters from Mr. Herman Lohss are not particularly interesting.

I think this letter from Senator Hitchcock has been published. I will read it, if you say so. I believe it was published.

Senator NELSON. I do not recall it. Read it.

Mr. BIELASKI. It is addressed to G. N. Jacobsen, room 905, North Clark Street, Chicago, Ill., and is dated August 4. This copy or purports to be a copy which is attached to this report given to Hale. It is not an original letter.

Senator STERLING. That is August 4, 1915?

Mr. BIELASKI. Yes. It reads as follows:

BIELASKI EXHIBIT No. 75.

DEAR SIR: I have your letter of July 28th announcing the completion of preliminary organization work of the Embargo Conference and I am glad they are progressing with your enterprise.

I am not, however, able to give my consent to become a member of the national board. I have uniformly declined to join any organization for any purpose however much as I may approve it. I have no time that I can give to the work of management and I do not like to be responsible in whole or in part for what others may do.

As you know, I am willing to do all I can in my position as United States Senator and all that is possible as the publisher of the World-Herald to do about an embargo on the exportation of arms and ammunition.

I believe the sentiment in favor of an embargo is growing. I notice it among the religious element as a moral issue, and I believe it is growing in the South partly out of resentment because of the interference with the trade in cotton. At the time my amendment to the shipping bill providing for an embargo on arms and ammunition came to a vote in the Senate I got very little support from Southern Senators, and I believe the case would be far different today if the matter came to a vote.

Yours truly,

G. M. HITCHCOCK,
United States Senator

Here is another letter dated August 16, to W. R. McDonald, Secretary American Embargo Conference, Chicago, Ill., from Senator John D. Works. [Reading:]

BIELASKI EXHIBIT No. 76.

MY DEAR MR. McDONALD: I am just in receipt of your favor of the 11th instant, informing me of the objects and purposes of the American Embargo Conference and asking me to become a member of the national board of advisors.

I am very earnestly in sympathy with the views and objects and purposes of your conference. I have expressed my views on the subject of the exportation of arms and munitions of war to the belligerent nations pretty frankly in a speech made by me in Pasadena, California, before the Commercial Law League. I have taken the liberty of sending you a copy of a newspaper containing my speech in full. From it you will see that I am in sympathy with your movement but I have made it a rule not to connect myself in any way with any organization that is seeking legislation through Congress or the object of which is to influence Members of Congress in any direction.

That rule must prevent my connecting myself with your organization as you request.

Sincerely yours,

JOHN D. WORKS,
United States Senator

Here is another letter, of August 28, 1916, to McDonald, from Senator Works. [Reading:]

BIELASKI EXHIBIT No. 77.

MY DEAR MR. McDONALD: I think the sentiment in this country against the exportation of munitions of war to the belligerent nations is much stronger

and more widespread than is generally supposed. I had expected that there would be much opposition on the part of its members to the speech that I delivered before the Commercial Law League at Pasadena. On the contrary, the speech was well received, no opposing sentiment was expressed, by unanimous vote I was made an honorary member of the league and the speech was ordered printed in pamphlet form at the expense of the league—something that had never been done before, I was informed by the president.

I have met with many people and have received letters from others who agree with me fully on that subject. I have not come in contact with very many of the leading citizens of Los Angeles in dealing with this question but I am giving you the names of a few persons whom you might communicate with and who, no doubt, could give you the names of others who feel as we do. They are—

Senator KING. Mr. Chairman, I feel that this committee should be exceedingly careful not to do any injustice to any innocent person or any person not directly involved in this examination. This letter evidently refers to the names of a number of individuals living in Los Angeles to whom the writer states communication might be made. There is nothing to indicate that those parties actually were in sympathy with this movement or that they did anything to advance the cause of these propagandists.

Unless there is something subsequently to be offered that would connect those individuals with this propaganda, I would feel that it was rather unfair to put their names into the record.

Senator OVERMAN. I wish to make this investigation impersonal if possible. I do not want it to be a personal investigation. I want to make it impersonal as far as possible. Unless it can be shown that these persons have some connection with the propaganda, I think Senator King is right. What do you think, Senator Nelson?

Senator NELSON. I think that is right as to the names, but I think the letter should go in.

Senator OVERMAN. Yes; there is no objection to that.

Mr. BIELASKI. The remainder of the letter is as follows:

The Los Angeles Times, one of the leading papers of Los Angeles, has declared editorially very strongly in favor of an embargo on munitions of war. The Los Angeles Examiner, another of the leading papers, has taken strong grounds in the same way, and so have the Los Angeles and the Los Angeles Express. So that, as far as the newspapers are concerned, all of the leading journals are in favor of an embargo.

The difficulty is that the politicians, including Members of Congress, have not the moral courage to stand up against the powerful influences that are profiting by the exportation of war materials. If they could be made to see that the great majority of the American people are opposed to the exportation of munitions of war, as I believe they are, there would be a revolution of sentiment and a change of action on the part of public officials.

I wish you every success in your efforts to bring out this sentiment and to establish the fact that the people are opposed to our efforts to continue the war by furnishing the needed materials to carry on the war.

Sincerely yours,

JOHN D. WORKS,
United States Senator.

Senator OVERMAN. I want to ask you where you got that paper?

Mr. BIELASKI. That is a question, Senator, which I think, for reasons which will be apparent to you, I would not want to answer or say anything which would in any way reveal the activities of the Bureau of Investigation.

Senator OVERMAN. That is a good excuse, but I would like to know whether that was ever in the hands of Mr. Albert or Von Bernstorff?

Mr. BIELASKI. It was in the hands of Albert. If you would to look at the original, you can see Mr. Albert's initials on it.

Senator KING. I make this suggestion: That when any witness testifying, and the names of individuals appear, those names be submitted to the committee before they are put in the record.

Senator OVERMAN. Yes. They will be submitted to the chairman and I will submit them to the committee to determine whether or not they shall appear in the record.

Senator KING. Yes; I think they should be submitted to the chairman before they go into the record.

Senator OVERMAN. Govern yourself accordingly, Mr. Bielaski, unless you can connect them up by some other evidence which you have.

Mr. BIELASKI. I do not know. That is such a minor point in the matter that we never made any effort to follow that up.

We have had the entire files of the American Embargo Conference with the correspondence, and just what was written to those people undoubtedly; but it is such a small matter that I could not say a word about it.

Here is a sample card which was sent to various points [reading]

BIELASKI EXHIBIT No. 78.

[American Embargo Conference, Chicago, Ill.]

We, the undersigned voters, hereby declare ourselves strongly in favor of an embargo on munitions of war and pledge our support to this cause when the demand is made at the next session of Congress. ——— Congressional District of the State of Pennsylvania.

This one happens to be for the State of Pennsylvania.

I might say, in regard to reading that letter which was referred to a moment ago, that I read it with the understanding that it had already been published.

Senator OVERMAN. It has already been in the papers?

Mr. BIELASKI. Yes; that is my understanding of it, Senator.

I do not know whether you are interested in having samples of what this embargo conference sent out or not.

Senator OVERMAN. You can put them in the record, and we will read them.

Senator NELSON. The literature they sent out.

Mr. BIELASKI. The names?

Senator NELSON. The names of those who signed the letters.

Senator KING. But the pamphlets and arguments in favor of the embargo—I should not feel that we ought to encumber the record with them.

Senator OVERMAN. No; I think they may be left out.

Senator NELSON. But these letters and telegrams, it seems to me ought to go in.

Mr. BIELASKI. Yes; I will give those to the reporter to be put in the record.

The embargo conference also sent out large numbers of circulars in German, of which there are translations.

Senator KING. With reference to these pamphlets and leaflets, which are arguments, I take it, in favor of the view for which the

writer was contending, there may be some of them here that should go into the record. I suggest that Maj. Humes look them over very carefully, and if there is any point in these pamphlets and leaflets that is illuminating, or that he thinks is essential, he shall give it to the reporter and have it inserted.

Senator OVERMAN. Yes. Maj. Humes, will you look those over and see what you think of them?

Maj. HUMES. Yes.

Mr. BIELASKI. Here are some other pamphlets, Senator, sent out in German, attached. These are only some of them. There are quite a lot of them.

Senator KING. Mr. Chairman, the one by Dr. Hugo Gerhard, in German, and the translation, I would like to see go into the record.

Senator OVERMAN. Very well; that may be put in.

(The document referred to is here printed in the record, as follows:)

BIELASKI EXHIBIT No. 79.

For Real Humanity.

For Honest Neutrality.

For Speedy Peace.

[American Embargo Conference. Dr. Hermann Gerhard, room 905, 139 N. Clark St. Tel. Randolph 3189.]

CHICAGO, [Date of the Post Mark.].

DEAR SIR: The Embargo movement is growing day by day and is spreading to all points of the compass to the most remote part of the United States during the short time the American Embargo Conference had existed. The signed ballots are pouring in to our office from all sides.

All this is a clear proof:

1. That we have entered upon the right path.
2. That this movement is a distinctly popular one.

But one thing is necessary! The threads which have been spun in this way through the whole territory of the United States must be woven together into a close organization.

In every city, in every village, in every township, a local embargo committee of three or five members should be formed with which we at the national office at Chicago can be in constant communication, to which we can send the necessary campaign literature, and which comes forward first of all, as soon as Congress is opened, at a definite time, either by telegrams or letters to the representatives in all Congressional districts, to exert the necessary pressure upon the gentlemen at Washington. Furthermore, this committee should see to it inside its own district that the papers (both English and German) accept for publication the Embargo articles sent to them by us.

If the papers should object we will show the committee the ways and means (through advertising patronage, etc.) to attain the object in spite of them.

If we actively organize in this manner so that when the signal is given we can hammer at all points, then, considering our connection with the ballot campaign, we are sure of success.

So be up and at work German-American: We need in every village, in every city, only three determined men to stand guard and the cause of true humanity and honest neutrality will be triumphant, Columbias shield of honor will again beam clear and bright.

Will you please inform me immediately as soon as you have found these men who are ready to form such an Embargo committee, and send me their exact addresses, that I may always be in position to keep this committee informed concerning the Embargo movement.

With German greetings,

DR. HERM. GERHARD,
Leader of the German Division of
the American Embargo Conference.

Mr. BIELASKI. The State Department made public some time ago the following telegram from Count Bernstorff to the foreign office in Berlin, which was sent in September, 1916:

BIELASKI EXHIBIT No. 80.

September 15th. With reference to report A. N. two hundred and sixty-six of May tenth, nineteen sixteen. The Embargo Conference in regard to which earlier fruitful cooperation Dr. Hale can give information, is just about to enter upon a vigorous campaign to secure a majority in both houses of Congress favorable to Germany and requests further support. There is no possibility of our being compromised. Request telegraphic reply.

Under date of January 22, 1917, Mr. Bernstorff sent to the foreign office the following communication, which has been made public by the State Department:

BIELASKI EXHIBIT No. 81.

I request authority to pay out up to \$50,000 in order as on former occasion to influence Congress through the organization you know of, which can perhaps prevent war. I am beginning in the meantime to act accordingly. In the above circumstances a public official German declaration in favor of Ireland is highly desirable, in order to gain the support of Irish influence here.

Senator KING. Have you any reply in your files to the telegram from Bernstorff to the foreign office in September, 1916?

Mr. BIELASKI. No, sir.

Senator KING. All right. Proceed.

Mr. BIELASKI. I have one other message here furnished to us by the State Department, which has not been made public, and which I will read. It is connected with a number of other things, but mentions the embargo conference also. It is from Washington to Berlin, November 1, 1916 [reading]:

BIELASKI EXHIBIT No. 82.

Despatch from Washington to Berlin November 1, 1916.

As you will have learnt from my previous reports, we have since the LUSITANIA case endeavored to wind up all the so-called German propaganda, and especially to get rid of all dubious individuals. I can now say with a good conscience that we are no longer compromised. Some of the old affairs still hang on, but are more or less settled, although they will cause some further expenditure.

At the beginning of the war many things were undertaken by the Dernburg Propaganda which would never have been undertaken if we could have seen that the war would be so long; because nothing can for long be kept secret in America. Since the LUSITANIA case we have strictly confined ourselves to such propaganda as cannot hurt us if it becomes known. The sole exception is perhaps the Peace propaganda, which has cost the largest amount, but which also has been the most successful.

Latterly I have been using the Embargo Association and some entirely reliable private intermediaries. I have also made use of the German University League, founded since the war. This has done its best to take the place of the German (?)—

There is a word which can not be translated.

Association, which has been of no use during the war on account of its management. The League has published under my collaboration an excellent collection of reports on the war, which will be of great service to our cause. The support which I have already given the League is entered in the First Quarter's account for 1916, item No. 208. On the occasion of later installments to them, I will refer to this report.

I ask that this be sanctioned.

(Signed)

BERNSTORFF.

The reference there to the American Embargo Conference is brief—"latterly I have been using the Embargo Association."

Senator STERLING. What is the league referred to?

Mr. BIELASKI. We will have considerable to say about that later, if you are interested, Senator.

Senator STERLING. Yes.

Mr. BIELASKI. Another communication is one addressed on December 21, 1915, an English translation of a decoded cipher addressed to the ambassador, German Embassy, Washington [reading]:

BIELASKI EXHIBIT No. 83.

CHICAGO, ILL., Dec. 21, 1915.

IMPERIAL GERMAN CONSULATE,

J. Nr. 17923/15

The Embargo Conference, regarding whose activities Councillor Albert possess a detailed written account, has, considering the conditions, rendered service worthy of acknowledgment. The question now arises whether it is to be dissolved in January, or whether it is to be continued until presidential candidates are named, that is not until summer. This would require an assistance to the amount of 6 to 7 thousand dollars. The contemplated continuation of the enterprise would, according to my opinion be favorable to the entire German vote, and would facilitate that of Deputy Vollmer.

Kindly indicate if there will be any chance that such a sum might be used in the manner as above mentioned. The same of course could be done in such a manner that official cooperation would not be apparent.

(Signed) REISWITZ.

That is signed "Reiswitz," who was the consul at Chicago.

Maj. HUMES. In that connection, Mr. Bielaski, you will remember that there were some exhibits with reference to Congressman Vollmer collected from the United States Brewers' Association files that were submitted?

Mr. BIELASKI. I think he was indicted.

Mr. O'BRIAN. He was tried and the jury disagreed.

Mr. BIELASKI. He was tried for violation of the espionage act after we got into the war.

Senator NELSON. Yes; that is my recollection. He was indicted.

Mr. BIELASKI. This letter was sent to Albert for his information.

There was also a draft of a communication, which is in our possession, which we have good reason to believe was prepared by Albert, dated March, 1915 [reading]:

BIELASKI EXHIBIT No. 84.

After reconsideration and consultation with Dr. Hale, of the Press Bureau, I withdraw my suggestion respecting a German note on supply of arms. Only chance for embargo on export of arms if it is done purely for American interests. Emphasis of the German interest, by Germany, might even be harmful at the present time.

December 28, 1915, there is what purports to be a letter addressed to the ambassador at Washington by Albert, which reads:

BIELASKI EXHIBIT No. 85.

NEW YORK, December 28, 1915.

In reply to your favor of December 26, 1915.

J. Nr. A 8442.

Although I agree with your Excellency that it is expedient to restrict propaganda to the extreme limit, if not to suspend it entirely, nevertheless I raise

the question whether it is advisable to allow an existing organization to drop which possibly can be of use to us in a critical moment. Everything considered 6-7000 dollars plays no decisive role. For this reason I should like to recommend, as I have already informed Prince Hatzfeldt over the telephone without mentioning the subject, that we follow the proposal of Reisswitz. I am fully conscious of the fact that an organization which ostensibly numbers such rich people among its members, should really be in a position to raise the expenses itself. Experience, however, has taught us, that this principle does not hold at the present time.

I enclose the material mentioned by Reisswitz and request a reply in regard to the decision reached.

To his Excellence, The Imperial Ambassador, Sir Count von BERNSTORFF,
Washington, D. C.

George Sylvester Viereck, it might be mentioned in passing, furnished propaganda material to the embargo conference to be distributed.

The next activities of the embargo conference that excited great attention were the sending in of a tremendous number of telegrams to Congressmen and Senators from all over the country.

The embargo conference submitted to people forms of telegrams to be sent, and of course the identity of language immediately aroused the suspicion of every one here who received them. Here is a sheet containing samples [reading]:

BIELASKI EXHIBIT No. 86.

Please sign one of these telegrams and have voters each sign one telegram. Cross off the telegrams that are not signed and then hold this sheet until we wire you to telegraph it. Then please send it without delay.

These are a series of draft telegrams, 1916; night letters:

BIELASKI EXHIBIT No. 87.

Your constituents urge and expect you to stand like a rock against the passing frenzy of insane and criminal folly on the part of the small portion of interested persons who are clamoring for war. We want peace. Nothing warrants any other action.

The second proposed telegram reads:

BIELASKI EXHIBIT No. 88.

If warlike rumors coming from Washington are true will you let me reassure you that the great majority of your constituents stand for peace, believe war now unnecessary and uncalled for, and will resent being participated [sic] into the European conflict.

Senator NELSON. What is the date of this?

Mr. BIELASKI. This is just a draft of the telegrams, Senator. We can give you the dates they were actually sent.

Senator NELSON. They were sent immediately before we declared war?

Mr. BIELASKI. Yes.

Here is another one.

BIELASKI EXHIBIT No. 89.

As today's reports indicate that this country is likely to be rushed into the European war, let me assure you that I and your constituents who will be the real sufferers will bitterly resent anything but calm action and calm action means peace continuing.

Senator STERLING. Those are forms of telegrams sent out by the Embargo Conference?

Mr. BIELASKI. Yes; with instructions to sign them and hold them until they got the word to send them.

Senator NELSON. We were flooded with them just before we declared war. I have a bundle of postal cards and letters signed.

Mr. BIELASKI. Yes; you have, and a great many Senators and Congressmen sent to our department the original telegram, so that there is no question about their having been sent.

Senator OVERMAN. This was a telegram framed up to be sent out. Who framed them?

Mr. BIELASKI. The American Embargo Conference.

Mr. O'BRIAN. Of Chicago?

Mr. BIELASKI. Yes; they had a New York office finally.

Those particular telegrams, or forms of telegrams, that I read are supposed to be addressed to Mr. Stephens—this particular set. These are typical sets. They were addressed and sent to all Congressmen and Senators—to Senator Reed, to Congressman Hamilton—I think they are all alike, and one set is sufficient, I suppose.

Senator NELSON. They had two or three kinds?

Mr. BIELASKI. Yes; there is a set of seven kinds here.

Senator NELSON. Yes.

Mr. BIELASKI. You sent quite a strong letter, Senator, at the time you received yours.

Senator NELSON. Yes; I think I called the department's attention to it.

Mr. BIELASKI. You did, repeatedly.

Here are various other circulars they sent out. Here is a copy of the campaign book of the American Embargo Conference, giving its purposes, its work, its reasons, plan, and so forth.

These are copies of telegrams, showing the people who were interested in it—Mr. Monett, who was at one time, I think, attorney general for Ohio, and who was indicted in connection with the activities of Rintelin in Labor's National Peace Council. He was interested, as shown by his correspondence and telegrams here.

Senator STERLING. Did they send out a form of telegram from Chicago in regard to the embargo? These forms you have been reading relate to the declaration of war.

Mr. BIELASKI. Yes. I put in the form of telegram they sent.

They also sent out a form to Congressmen, which I think I have here, asking them to declare immediately how they stood on the embargo proposition. I think I will come to that in a moment.

Senator OVERMAN. That must have taken a great deal of money—that great organization—and it only shows so far about \$7,000.

Mr. BIELASKI. Here is a photographic copy of a form, which was sent out to be sent in. This copy says:

The Congressman in my district is Frank Buchanan, Seventh Congressional District. I understand his attitude on the question of an embargo to be—

And then there is a line to be filled in, and this fellow says:

Emphatically in favor of an embargo.

It is signed G. Theiss; address, Route 1; Roselle, Ill.

Then here is a photographic copy of a form on the letterhead of the American Embargo Conference, reading as follows:

BIELASKI EXHIBIT No. 90.

DEAR SIR: As the Conference is very anxious to keep an accurate and up-to-date minute check on the attitude of the Congressmen, on the question of embargo we are asking you to fill out the report attached to this letter and return the same to us at the earliest possible moment.

Many of the Congressmen have given us their attitude others refuse to commit themselves, but we wish to have the reports of the voters themselves on what they believe is the position of their Representatives in Congress.

Though you may have reported on this before, we earnestly urge you to make this new report so that we may have the latest advice possible. In so doing you will be greatly aiding the success of the campaign.

Very sincerely yours,

THE AMERICAN EMBARGO CONFERENCE

Then follows the form of the report. This is another place where the writer fills in:

BIELASKI EXHIBIT No. 91.

Report: The Congressman of my district is James Buchanan. I understand his attitude on the question of an embargo to be favorable. His position on the war question is well known, and needs no explanation to you.

Signed, Albert S. Olins; address, some town in Illinois.

There are a number of other copies of reports from different voters that have been sent in here.

Here is a photographic copy of a letter dated January 5, 1917, written on the letterhead of the House of Representatives, reading as follows:

BIELASKI EXHIBIT No. 92.

MY DEAR SIR: In acknowledgement of yours of recent date, I wish to assure you that I am heartily in accord with House Resolution 377, and will do what I can to secure the passage of this resolution or other legislation that will prohibit the shipment of munitions of war from our ports to belligerent nations.

With good wishes, I am

Very truly yours,

FRANK BUCHANAN

Here is a letter to Jacobsen, acting head of the American embargo conference, from Congressman Buchanan, dated August 21, 1917, reading as follows:

BIELASKI EXHIBIT No. 93.

In response to your favor of July 29th addressed to me at the New Willard Hotel, Washington, D. C., which, due to the delay in forwarding, has just come to my attention, will say that I am very much interested in the aim of the American Embargo Conference and the results it seeks to accomplish. I shall be glad to lend my support to the conference in every way possible but prefer that my name should not be included in those composing the National Board.

Regretting the unavoidable delay in responding to your communication, I am

Yours very truly,

FRANK BUCHANAN

There are other letters here written by Congressman Buchanan.

Here are a few original telegrams which were sent in. For instance, this is to Hon. John A. Key, House of Representatives, Washington, D. C., dated Dayton, Ohio, April 25, 1917 [reading]:

BIELASKI EXHIBIT No. 94.

Your constituents joining with me in sending this message are deeply alarmed by rumors that this country is near to being plunged into the European war. You know your constituents want peace and we emphatically urge that you so express our sentiments: We know we can depend upon you.

ADOLPH BLECK.

Then there are two or three other telegrams showing that they were actually sent upon the same form. Large numbers of them were sent. I suppose there is no use in putting the rest of these in.

Here is a copy of the campaign book they got out. Perhaps Maj. Humes would like to look these over.

Senator KING. Yes. That would be a good idea.

Mr. BIELASKI. Here is a pamphlet they circulated, entitled "The embargo and Congress;" and another one, "Liberty or License," and Hale's famous pamphlet, sent out by the hundreds of thousands, "Thou Shalt Not Kill," and another one: "The views of three Americans," and another one; "The embargo."

Senator NELSON. Put in those that are most material.

Mr. BIELASKI. Here is a speech made by the late Senator Paul Husting, of Wisconsin, which, of course, is in the record.

Senator NELSON. Yes; he took that matter up.

Mr. BIELASKI. In the forms of the telegrams, and what he received, and so on.

Senator STERLING. He showed them up.

Senator NELSON. He showed up the whole thing.

Mr. BIELASKI. The American Embargo Conference then sent out a telegram saying:

Stop sending telegrams. Continue getting signatures. Hold for gigantic petition, or send us when blanks are filled.

That date is April 27, 1916.

Senator NELSON. Senator Husting's speech stopped the telegrams?

Mr. BIELASKI. Yes.

Here are three original telegrams sent telling them to stop sending the telegrams.

Senator KING. The Senate, some of these days, should pause long enough to pay a deserved tribute to Senator Husting, a strong and courageous American.

Senator OVERMAN. Yes.

Maj. HUMES. In that connection, Mr. Bielaski, have you a record showing who paid for these telegrams in the various localities?

Mr. BIELASKI. Yes. They were paid for by the American Embargo Conference. They admit the payment of them.

Maj. HUMES. Were all of them paid that way?

Mr. BIELASKI. Not all of them. Some of the individuals paid for them. The great bulk of them, however, were paid for by the conference. Individuals in a great many instances paid for them themselves.

Maj. HUMES. It is my understanding that some other elements paid for a certain number of them that came from Chicago. Have you any record of that?

Mr. BIELASKI. I do not know what you mean; no. I think, of course, that the German Government paid for them, in the long run.

Senator OVERMAN. You have no evidence showing how much

money the German Government contributed, if any, to this embargo conference?

Mr. BIELASKI. Nothing except such as I have introduced in evidence, which is not specific as to the amount.

Senator OVERMAN. It is now 1 o'clock, and we will adjourn until half past 2.

(Whereupon, at 1 o'clock p. m., a recess was taken until 2.30 p. m.)

AFTERNOON SESSION.

The subcommittee, pursuant to the taking of the recess, met at 2.30 o'clock p. m.

TESTIMONY OF MR. A. BRUCE BIELASKI—Resumed.

Senator OVERMAN. The committee will come to order. Proceed Mr. Bielaski.

Mr. BIELASKI. Mr. Chairman, in discussing the American Embargo Conference this morning I omitted to read the translation of a rather important letter from the German consul at Chicago, Mr. Reisswitz, dated July 22, 1915. It is particularly interesting as showing how early the German Government was involved in the American Embargo Conference, right at its organization—its inception.

BIELASKI EXHIBIT No. 95.

CHICAGO, *July 22, 1915.*

YOUR EXCELLENCY: I have received your very welcome letter, together with the newspaper clipping. I will see to it that the question of the part which American army officers are playing in the production of munitions and arms for our enemies is laid before the coming mass meeting of the embargo conference and in order to further this purpose I have turned your newspaper article over to the persons by whom it will be considered.

Everything else concerning the proposed embargo conference you will please find in the enclosed copy of the report to the Ambassador. A change has, however, come up, as the mass meeting will have to be postponed on account of there being insufficient time for the necessary preparations. It will probably be held here in about two weeks.

Among others the following have agreed to cooperate: Senator Hitchcock, Congressman Buchanan, William Bayard Hale, of New York, and the well known pulpit orator, Dr. Aker (born an Englishman), from San Francisco.

Hitchcock seemed to be very strong for the plan. He told our representative at a conference in Omaha: "If this matter is organized in the right way it will sweep the United States."

You note he says "our representative."

For your confidential information I would further inform you that the leadership of the movement thus far lies in the hands of two gentlemen (one in Detroit and one in Chicago).

There is nothing to show who those men were, except from general information as to the management and activities of the organization. We believe Jacobsen, of Chicago, who was convicted of sending agents abroad in behalf of the Germans intended to go to India, and was sentenced, I think, to the penitentiary for a considerable term, was one, and Mr. Karl E. Schmidt, a very wealthy German-American of Detroit, a tanner, was the other. The list of voluntary contributions made to the American Embargo Conference will show that Karl Schmidt was by far the largest individual contributor of money.

It is also true that he, in the month of January, 1917, I think, was in New York City, at the Claridge Hotel, according to the testimony of men whom we have examined, where he met Dr. Fuehr, the treasurer and German head of the press bureau; and while there is no evidence to show that he did in that way receive any German funds, there was the opportunity for him to have them from the man who was disbursing them.

Speaking of these two gentlemen, he says:

who are firmly resolved to work toward the end that the German community, which, of course, will be with us without further urging, shall above all things remain in the background, and that the movement, to all outward appearances, shall have a purely American character. I have known both the gentlemen very well for a long time and know that personal interest does not count with them; the results will bring their own reward.

For the purposes of the inner organization, to which we attribute particular importance, we have assured ourselves of the co-operation of the local Democratic boss, Roger C. Sullivan, and McDonald, the latter of the Chicago American. Sullivan was formerly leader of the Wilson campaign and is a deadly enemy of Wilson, as the latter did not keep his word to make him a Senator; therefore, principally, the sympathy for our cause.

We well know that the task is great and the time is very short; notwithstanding, however, we have to consider that the present moment is very auspicious, as in the Middle West, the West and even the South the opinion is gaining more and more momentum that the German requests are not without merit, and that at last something must be done to put a stop to the English encroachments, which are seriously jeopardizing the business and industries of this country.

A pertinent article from the local Hearst paper Examiner is respectfully inclosed herewith. I do not believe it is going too far to presume that, inasmuch as a crisis is developing for the near future in the German-American negotiations, public opinion in the United States, with the exception of that in the East, which will, of course, remain irretrievably pro-English, will turn more and more against the encroachments of England.

I must refrain from communicating the above facts in my report to the Ambassador, as the matter could be too easily compromised thereby. Perhaps you will find an opportunity to inform Count von Bernstorff verbally. As soon as the matter has first gained more headway, I believe Mr. von Alvensleben, who has taken part in the whole development here, will come to New York in order to inform the Ambassador fully regarding prevailing frame of mind here as well as regarding the movement, provided, however, that is desired.

Mr. von Alvensleben will also at that time present another plan with reference to the purchase of the Wright aeroplane factories in Dayton, Ohio, which, in my opinion hold great possibilities for us. With some \$50,000 we would acquire a control over the whole Wright patents, and thereby over the aeroplane factories in the whole United States, for about one year. We would thereby probably be placed in the position of being able to prevent the greatest part of the export of flying machines from the United States.

But, aside from this, the plan, so far as can be foreseen, appears to be a lucrative financial undertaking. We could then, in case we so desired, take over the Wright works on the ground of the contracts to be carried out.

At the present time there is pending, so I have heard, an action, Wright vs. Curtis, in which Wright complains of default in the use of his patents. The action will come before the Supreme Court in Washington in September. In the first two trials Wright won, and it is to be expected with quite a good deal of certainty, that the last trial will be decided in his favor also. Whether other possibilities may not present themselves by which Curtiss can carry on his business is, in view of the flexibility of the local patent laws, at least questionable. Regarding this question the opinion of an experienced patent attorney of Washington or New York should be first secured.

We previously only contemplated the acquiring of an option for the purchase of the Wright Company inclusive patents for some three or four weeks which, with the assistance of one of Wright's intimate confidential men and a local business man, we will be able to do without cost. On the basis of the option we would then be in a position to examine carefully into the matter and then

to make our decision. All other details, some of which are a little complicated, can be worked out at an oral conference.

So also the copies of the both judgments in the lower and higher courts have gone in. These, as also all other documents necessary for the determination of the matter, Mr. von Alvensleben will bring with him personally.

Please be kind enough to let me know as soon as possible whether the Ambassador is interested in the matter, and, if so, whether he will see Mr. von Alvensleben. With best wishes, your devoted

P. REISWITZ.

That shows that the German Government was concerned not only in financing this organization after it was established, but in the organization and direction of it, particularly through Messrs. Jacobsen and Schmidt, from the outset.

At the time that Mr. Karl Schmidt was in New York at the Hotel Claridge, he was consulted, according to testimony largely of Mr. Claussen, as to the buying of a press association named the American Press Association, of which Mr. Courtland Smith was president.

Senator STERLING. Before proceeding with that, may I not call your attention to a statement in the letter just read, and that is a statement in regard to the inclosure from one of the Hearst papers. Do you have the inclosure yourself?

Mr. BIELASKI. I do not know whether I have or not, Senator. You see I selected these papers, and I would have to look through the rest of the files to see whether I have it or not. I do not think I have it with me.

Senator STERLING. You need not take the time to look for it now.

Mr. BIELASKI. The New York World, August 15, 1915, printed a memorandum [reading]:

BIELASKI EXHIBIT No. 96.

I have obtained a thirty-day option, without cost to me, of a controlling interest of the American Press Association, a \$1,600,000 corporation, with main office in New York, and seventeen branch offices and plants in the principal cities of the United States. The price is \$900,000. One hundred thousand dollars more would have to be available for the installation of a news service by means of tickers, the patents for which are controlled by the American Press Association. There are only two news tickers suitable for this work, the other being controlled by the Central News Company, which is an English corporation.

This memorandum showed that it had been submitted to Dr. Albert's office.

Mr. Claussen first denied that he was involved in this matter, but subsequently stated to agents of the department that he did secure this option from Mr. Courtland Smith. So far as I know Mr. Smith has not denied it.

Senator OVERMAN. Has anything been done with Claussen?

Mr. BIELASKI. No, sir. The fact, however, that in 1917 there was a discussion as to the advisability of obtaining control of this same press association is interesting; and, as of possible interest, and showing further the way this was considered, is the following memorandum:

BIELASKI EXHIBIT No. 97.

MEMORANDUM.

1. The American Press Association places its whole organization at the disposal of Mr. H. F. Albert, in order to spread pro-German news or to suppress

anti-German news or to make pro-German propaganda in any other way compatible with its organization. It is understood that this arrangement will keep within the limit of sound business principles, i. e. that the pro-German propaganda shall not be more accentuated than compatible with not diminishing the profits of the organization. It must absolutely be avoided that the American Press Association becomes a recognized pro-German organization.

2. This arrangement to be valid from July 15th until October 31st, 1915. Within this time Mr. Albert has to declare whether he will make use of the option to buy the control of the aforesaid association by paying the amount of \$900,000.

3. As recompensation for extending the option to the 31st of October 1915 and placing the good will of the Association at the disposal of Mr. Albert, the aforesaid Association will receive the sum of payable the first of each month. Mr. Albert will designate his delegates who will confirm, if necessary, in daily conferences with Mr. Smith the general policy to be pursued and the practical steps to be taken.

4. If the option is executed the sum stipulated under No. 3 will be deducted from the final payment to be made under this contract.

Attached thereto is a statement: "Assets and Liabilities, June 1, 1915, American Press Association."

Senator NELSON. Who were the controlling men of that association?

Mr. BIELASKI. I think Courtland Smith was the head, and I assume he controlled it. I do not know that, however.

Maj. HUMES. Senator, you remember that is the association that there was a discussion of in the brewers' records that have been filed in the case?

Senator NELSON. Yes.

Maj. HUMES. And they were considering the advisability of acquiring it about the same time.

Senator NELSON. Yes.

Mr. BIELASKI. Nothing came, in 1915, of course, of this matter, as is apparent from this letter, written in New York, July 15, 1915, to Mr. M. B. Claussen, 30 East 42nd Street, New York City:

BIELASKI EXHIBIT No. 98.

MY DEAR MR. CLAUSSEN:

I am very much obliged to you for having taken the trouble of securing an option for the controlling interest of the American Press Association. To my regret, however, the party, authoritative in this matter, has declined to buy that interest or to place at my disposal funds for extending the option and for procuring the good will of the American Press Association for six weeks or longer.

I have received the best impression of the leading personality of the Association, Mr. Smith, and feel sure that our interests would be well cared for in his hands. However, I am convinced of the impossibility, especially when the press is concerned, to keep a matter secret in this country, and if it becomes known that the Association is controlled by German interests it would never be a success. At the present animosity against Germany, it would even mean risking the whole enterprise. If, on the other hand, we operate the news service in such a cautious manner that the German interest cannot very well be discovered it will not be of much use at all. At any rate, it will never be worth \$900,000 dollars or more than 4 million marks.

Although I fully recognize your far-seeing efforts in this matter, I think that, under the circumstances, it will be better to acquire or perhaps establish a news service after the war.

Believe me, dear Mr. Claussen,

Yours very truly.

Senator NELSON. This Courtland Smith is a brother-in-law of Arthur Brisbane, is he not?

Mr. BIELASKI. I do not know, sir.

Capt. LESTER. Mr. Brisbane testified that he was, the other day.

Senator NELSON. Yes.

Senator OVERMAN. He is not the Smith that you spoke of, in Detroit?

Mr. BIELASKI. No; that is a name with an entirely different spelling. The Mr. Schmidt in Detroit is S-c-h-m-i-d-t.

Senator NELSON. A German Smith—his name is Karl, is it not?

Mr. BIELASKI. Karl E. Schmidt; yes.

Certain notes appearing in Dr. Fuehr's diary that I have, have been suggested as of interest to the committee.

The first one is Friday, January 14.

Senator NELSON. What year?

Mr. BIELASKI. 1916. [Reading:]

Itzeln and McGuire called; the latter brought his new book, What Germany could do for America. It is becoming more and more evident to me that we should not worry about an official (?) embargo, which will be after all unobtainable, but a prohibition of traveling by Americans on British vessels, since submarine warfare will probably be taken up again in the war zone.

That was January 14, 1916, and shows Dr. Fuehr's belief in resumption of the submarine warfare.

Senator NELSON. There was a propaganda taken up on that question, about not having Americans traveling on foreign ships?

Mr. BIELASKI. Yes.

On Sunday, January 16, 1916, he says:

Dined with Mr. and Mrs. Hale.

H. thinks the opinion of a large number of Senators favorable to a general embargo.

Saturday, January 22, he says:

"Special opera (German Press Club patrons). Had box, invited Mr. and Mrs. Hale," and others.

Again, on Tuesday, March 14, 1916:

"Evening; dinner at Viereck's; others present, Consul General von Huber, Dr. and Mrs. Hale," and some other people.

Senator STERLING. The McGuire referred to there is the same McGuire that you referred to yesterday in the testimony?

Mr. BIELASKI. Yes; clearly, from the reference to that book, of which he was the author; James K. McGuire, connected with the Irish propaganda.

Just briefly, in order to make the record somewhat complete, not because it is of special interest, the German Government was interested in the International Press Exchange, which is interesting. This letter is dated October 4, 1915. [Reading:]

BIELASKI EXHIBIT No. 99.

Mr. WALTER S. KAUFMANN,
60 Wall Street, New York City.

DEAR MR. KAUFMANN: We have organized a special cable service to and from Rotterdam. This service is carried on under the name of the "International Press Exchange."

Will you please ask Mr. R. why the Evening Mail does not use this cable service, although it is remarkably neutral in its substance and form and is used by other newspapers. The expense for the service is so small that this question can not be of any importance.

Senator STERLING. The "Mr. R." referred to there is Rumely?

Mr. BIELASKI. I think so; unquestionably.

Senator NELSON. Yes; that is Rumely.

Mr. BIELASKI. In a memorandum submitted to Dr. Albert there are 102 of the leading newspapers and magazines mentioned who have accepted the photographic service of the International Press Exchange and agree to pay \$1 for each picture used. That is not significant in so far as any of the papers are concerned, but simply showed that this bureau was trying to spread its pictures. It simply offered to the newspapers pictures which, if they used, were paid for at the rate of \$1 each.

A separate list of papers was submitted, 74 in number, as having printed cables, 6 of them paying for them at a regular space rate, and the others receiving them through a syndicate which paid \$25 a week for the service.

I now will refer to a letter dated May 20, 1915, addressed to Dr. Georg Barthelme, who was pretty well known in Washington. He was connected with, I think it was, the Cologne Gazette, and got into difficulties down at the Press Club here because of his offensive attitude toward this country, and was a very active collector of press material of a kind useful to Germany. He went back, I think, either with Bernstorff or with a party that went back shortly after, because of some general arrangement whereby newspaper correspondents in Germany and this country were to be allowed to go home, by mutual agreement between the countries.

Senator STERLING. Was he an American citizen?

Mr. BIELASKI. Oh, no; he was a German, and came over here purposely, at the outset of the war, to help German propaganda.

He received a letter from Amsterdam, dated May 20, 1915, from a man named Guenther Thomas, in which he tells of being acquainted with him some time ago, and that he has been made business manager and chief editor in the German Overseas Service Trans-Ocean Limited. He says:

BIELASKI EXHIBIT No. 994.

Up to the present we have been exclusively dependent upon the use of the wireless stations for our service to the United States and South America, which work very irregularly, and are subject to many atmospheric disturbances, and besides are dependent upon the mercy of Americans who are influenced by vacillating sentiment.

I said to myself, that we must finally, somehow, find a way by which we can open up the cable connection over Holland to us, as all the rest are doing. That we have to reckon with the arbitrary power of English, is an after thought which we will have to accept as the others have with the bargain. The main thing is that the English do not discover by whom the service in reality is given, and what its meaning is, that is, it must be so arranged, that it will appear as a bona fide news-service between two newspapers, or syndicates of such. I have just taken care of Holland and, the question now is, if you will be in a position to take care of the American end. That your task is the much more difficult one is obvious, because of the prevailing conditions of this time. We hope and trust that because of your intimate knowledge of the conditions, and your genuine skill, you will be successful in overcoming the difficulties.

I have entered into an agreement with the owner and publisher of the New Amsterdam Courler, published in Rotterdam, that his paper will forward the despatches to the addresses, which will be received from you, and will thus act as go-between for us. It would therefore be necessary, that you offer to an anglo-American paper say, for instance, "Washington Post" or any other, a regular Berlin service as a special service, either for a consideration or with-

out, just as you think expedient, and stipulate as reciprocal terms, the immediate forwarding of the dispatches to you, on account of sending same to Central and South America. I believe it would be best, if one would quietly say, that definite arrangements exist for that, for that could not injure the exclusive use of the dispatches in America—of course the publishing of same in the U. S. must be exclusively reserved for the paper or syndicate in question. These would of course come into question which do not now have a special correspondent in Berlin.

In case it is necessary we will get in touch by telegraph with the Embassy in Washington, through the Foreign Office, and perhaps by that time you will have learned something in this way about the matter. Still I have great doubts if that will be possible. I beg you, in any case, to make some agreement with the Embassy, and especially with the gentleman who forwards our wireless messages to Central and South America. Great obstacles must for a long time have been in the way, in this respect, for the service does not work as clearly as is to be wished, for the interest of the cause. Lately, it has however been much improved. For all that, it is still urgently necessary that the thing should rest in one hand, and handled with care. It is further necessary, that our service, even if it consists solely of wireless telegrams, that it be enlarged through news from America, for instance, through press sentiment favorable to us, for which above all, journalistic vision and experience, as well as knowledge, are the surrounding circumstances.

We would ask you, that in the interest of the cause that you further inform yourself from the competent gentlemen of the Embassy, about the financial side, the different places, which the service reaches, etc., mainly, the most important principle, is to work harmoniously hand in hand with the A. A., especially with the press department under the ministerial Director Hamman and his assistant Legation Secretary Weber, and the same holds good as to Washington.

In case now, you should be successful in establishing the so much desired connection on the American end, then please give me, immediately the signal to begin by the following dispatch: "Nygt Rotterdam. Will you have our telegrams address Here would follow the cable address of the particular paper. Mr. Nygt is the publisher of the "Nieuve Rotterdamsche Courant," who will forward the dispatch to us. We have chosen the form of questions, in order to attract the least possible attention from the English censor, to the matter. It is especially important that the receipt of every dispatch from us is immediately acknowledged to Rotterdam. A form must be agreed upon, with the paper in question, from which perhaps an example of the manner of the acknowledging of the wireless telegram will be given. To cable the number of words is forbidden in itself, because the English censor suspects therein a code or market quotation and will in no case let it go through.

I think I have said in the above, what is to be said for the present. If you will have the kindness to write me always under the cover of Director Nygt, Nieuve Courant, Rotterdam, Witte de Wit Straat 73, what you think of my proposition, I would be very grateful to you. We all work in common, for the good and best of our fatherland.

Then he devotes some time to a discussion of the war situation, about Italy's entrance into the war, and so on, and tells about how their new class is coming on.

He says, among other things:

I hope the dear Yankees are becoming reconciled with regard to the *Lusitania*.

And he sends his regards to Bernstorff.

On June 10, 1915, appears a memorandum apparently by Prince Hatzfeldt of the German Embassy. He says:

BIELASKI EXHIBIT No. 100.

In Mr. Thomas a new person turns up who asserts that he is authorized by the Trans-Ocean Service of the Foreign Office to superintend the further spread of German news. The Imperial Embassy has heard nothing about Mr. Thomas direct from the Foreign Office. It therefore really does not know how far he is really authorized to dispose of imperial moneys. As far as his proposal is concerned, I assume that it is merely a question of a momentary makeshift. As such I have strong objection to the same.

He winds up by saying:

It would be best to say to Dr. Barthelme that the plan does not seem feasible here, the reasons for this will be communicated to the Foreign Office in a safe way.

Mr. Claussen, however, in a letter addressed to Albert July 7, 1915, says:

BIELASKI EXHIBIT No. 100½.

In regard to letter from the German Oversea Service to Dr. George Barthelme, I beg to say that the New York American, Sun and World have agreed to take a service.

The other papers no doubt will follow their example.

I have sent today a cable the copy of which I attach. This will start the service, but I desire to impress upon you that if they fail to send good and reliable news of value to the Press here, this service will be of very little value.

I would like to suggest that if I can get 40 or 50 papers throughout the United States to use this service it would be a good idea for me to send one or two men abroad, one to Holland and the other to Berlin.

I will send you a memoranda as soon as other papers indicate a desire to receive the service.

Yours very truly,

M. B. CLAUSSEN.

The inclosure is dated New York, July 7, 1915. It is as follows:

BIELASKI EXHIBIT No. 101.

Nygt. Rotterdam.

Will you have your telegrams addressed International Press Exchange, 30 East 42nd St.

Which is in accordance with the form suggested in Thomas's letter.

Under date of July 9, 1915, what purports to be a copy of a letter is addressed to Prince Hatzfeldt from Albert. It is as follows:

BIELASKI EXHIBIT No. 102.

Enclosed herewith I return you the Ambassador's letter of June 6, with the following report:

After mature consideration, I had intended to do everything to find a way to make use of the suggestion made by Mr. Guenther Thomas. I therefore commissioned Mr. Claussen to get in touch with the local papers and ascertain to what degree they would be inclined to use a daily cable service such as was suggested. The "New York American," the "Sun" and the "World" declared themselves as in favor of it. In consequence the cable agreed upon was sent to Thomas. We must now wait and see if the service works well. If it does, we hope to be able to extend it to about 40 or 50 papers in the United States. I will communicate further with you regarding this.

I hope in the course of the next week to have the pleasure of seeing you again. Perhaps you will dine with me some evening at one of the pleasanter "roofgardens."

With friendly greetings,

Always your respectful

The list of papers which was submitted as using that was just five or six, and the ones that were in this syndicate were mostly all very small papers.

Senator NELSON. Have you a list of the men that contributed to the embargo program?

Mr. BIELASKI. The contributors?

Senator NELSON. Yes.

Mr. BIELASKI. Yes; I have one, and will put it in the record.

Senator NELSON. All right.

(The following is a list of the principal subscribers to the American embargo conference:)

BIELASKI EXHIBIT No. 103.

July 20, 1916—Contributions up to date.

Carl E. Schmidt.....	Detroit, Mich.....	\$10,600.00
Donations from New York.....		5,000.00
Geo. Ehret.....	New York.....	3,000.00
Bernard H. Ridder.....	".....	2,550.00
William Boldenweck.....	Chicago.....	1,600.00
Collections by Dr. S.....	New York.....	1,500.00
Dr. O. L. Schmidt.....	Chicago.....	1,500.00
Fred Klein.....	".....	1,250.00
A. W. Huber.....	".....	1,200.00
G. H. Jacobsen.....	".....	1,000.00
Mrs. Carl Buehl.....	".....	1,000.00
The Bayer Company.....	New York.....	1,000.00
R. Pagenstecher.....	".....	1,000.00
Dr. Franz Koempler.....	".....	1,100.00
Collections by Albrecht.....	".....	1,000.00
Donations solicited by G. H. J.....	Chicago.....	1,000.00
Paul Tietgen.....	".....	1,000.00
Dr. Christian Dencker.....	".....	1,000.00
Dr. Henry F. Helmholtz.....	Evanston, Ill.....	1,000.00
F. W. Matthiessen.....	La Salle, Ill.....	1,000.00
Hugo Lieber.....	New York.....	1,000.00
Fritz Worm.....	La Salle, Ill.....	700.00
Dr. Paul Carus.....	".....	650.00
A. B. Steffens.....	Chicago.....	600.00
Henry P. Runkle.....	".....	600.00
Dr. Samuel Amberg.....	".....	500.00
Dr. Alex. C. Wiener.....	".....	500.00
A. R. Hoffmann.....	St. Louis, Mo.....	500.00
E. R. Behrend.....	Erie, Pa.....	500.00
Chas. Hulsman.....	New York.....	500.00
A. L. Peterson.....	Davenport, Iowa.....	500.00
W. P. Almelk.....	New York.....	400.00
Benj. Anderson.....	".....	400.00
T. H. Hinkland.....	".....	400.00
E. Janensch.....	Chicago.....	400.00
F. W. Labahn.....	".....	300.00
Jos. Brennemann.....	La Salle, Ill.....	300.00
E. Roth.....	Peru, Ill.....	300.00
Collections at Cincinnati.....	Cincinnati, Ohio.....	300.00
Simond Lewald.....	New York.....	300.00
F. M. Seiler.....	".....	300.00
Theo. Guienheimer.....	".....	250.00
Henry Bartholmay.....	".....	250.00
Theo. H. Lamprecht.....	".....	250.00
Paul Wenzel.....	".....	500.00
Hugo Fiegel.....	".....	300.00
Collections at Dubuque.....	Dubuque, Iowa.....	221.00
Collections at Waterloo.....	Waterloo, Iowa.....	208.00
Alex. O. Gettler.....	New York.....	200.00
Edward G. Uihlein.....	Chicago.....	200.00
Schoenhofen Brewing Co.....	".....	200.00
Keeley Brewing Co.....	".....	200.00
Grommes & Ullrich.....	".....	200.00
Fritz Von Frantzius.....	".....	200.00
H. A. Langhorst.....	".....	200.00
K. W. Kempf.....	".....	200.00
P. S. Theurer.....	".....	200.00
Geo. S. McConnell.....	".....	200.00
Geo. Engelking.....	".....	200.00

Collections at Cincinnati.....	Cincinnati, Ohio.....	150. 00
Louis Hollweg.....	Indianapolis, Ind.....	200. 00
Collections at Blue Island, Ill.....	126. 75
Dr. F. C. Harnisch.....	Chicago.....	125. 00
G. A. Schnull.....	Indianapolis, Ind.....	100. 00
Chas. H. Issel.....	Cleveland, Ohio.....	100. 00
Fitzger Brewing Co.....	Duluth, Minn.....	100. 00
Hugo Jaeckel.....	New York.....	100. 00
Udile Schweitzer.....	".....	100. 00
J. M. Huber.....	".....	100. 00
Andrew Hebel.....	Peru, Ill.....	100. 00
H. Hoerner.....	".....	100. 00
F. Widman.....	St. Louis, Mo.....	100. 00
A. Melzer.....	Evansville, Ind.....	100. 00
C. A. Wellendorf.....	Louisville, Ky.....	100. 00
Henry Weis.....	Waterloo, Iowa.....	100. 00
Frank J. Reitz.....	Evansville, Ind.....	100. 00
J. P. Frenzel.....	Indianapolis, Ind.....	100. 00
Standard Brewing Co.....	Chicago.....	100. 00
R. H. Boericke.....	".....	100. 00
E. G. Pauling.....	".....	100. 00
The Fuerst Kerber Cut Stone Co.....	".....	100. 00
W. A. Wieboldt.....	".....	100. 00
Bernard F. Weber & Co.....	".....	100. 00
Chas. Weeghman.....	".....	100. 00
Jacob Birk.....	".....	100. 00
L. Wolff Mfg. Co.....	".....	100. 00
O. C. Doering.....	".....	100. 00
Paul Schulze.....	".....	100. 00
Arthur Nollau.....	".....	100. 00
Wm. Hartig.....	Watertown, Wis.....	75. 00
Collections at.....	".....	67. 25
Collections at Social Turner Verein.....	Chicago, Ill.....	70. 72
First Eisenberger Kranken Unt. Verein.....	".....	67. 00
Collections at Toledo.....	Toledo, Ohio.....	67. 00
Collections at Niles Center, Ill.....	Niles Center, Ill.....	62. 47
Collections at Marshalltown.....	Marshalltown, Iowa.....	59. 50
Dr. A. F. Jonas.....	Omaha, Nebr.....	50. 00
Geo. Weinhausen.....	Milwaukee, Wis.....	50. 00
Henry Paulsen.....	Stockton, Iowa.....	50. 00
Herman F. Lieber.....	Indianapolis, Ind.....	50. 00
Fred Faegnley.....	".....	50. 00
Albert Lieber.....	".....	50. 00
G. T. O. Becker.....	La Salle, Ill.....	50. 00
Henry Gund (John Gund Brew. Co.).....	La Crosse, Wis.....	50. 00
John H. Fendrich.....	Evansville, Ind.....	50. 00
A. A. M.....	St. Louis, Mo.....	50. 00
Chas. H. Wacker.....	Chicago.....	50. 00
Albert Breitung.....	".....	50. 00
Max Schuckardt.....	".....	50. 00
Chas. Gindele.....	".....	50. 00
Count Bopp von Oberstadt.....	".....	50. 00
William Legner.....	".....	50. 00
August C. Magnus.....	".....	50. 00
E. G. Halle.....	".....	50. 00
Platt Deutsche Gilde.....	".....	50. 00
A. F. Madlener.....	".....	50. 00
Mrs. Phoebe Seipp.....	".....	50. 00
Birk Bros. Brewing Co.....	".....	50. 00
O. F. Mayer & Bro.....	".....	50. 00
Carl Sulzer.....	".....	50. 00
John Hetzel.....	".....	50. 00
J. L. Hoerber Brewing Co.....	".....	50. 00
Edward Landsberg.....	".....	50. 00
George K. Schmidt.....	".....	50. 00
Peter Hand Brewing Co.....	".....	50. 00
A. C. Schmidt.....	".....	50. 00

Fenske Bros.....	".....	50
R. J. Weller.....	".....	50
Leo Ernst.....	".....	50
Carl Eitel.....	".....	50
Adolph Schoeninger.....	".....	50
Carl Roessler.....	".....	50
Max Teich.....	".....	50
Westlicher Krieger Bund.....	".....	50
Central Verbund German Vet. Soldiers Society.....	".....	50
Rudolph Brand.....	".....	50
William Laas.....	".....	50
Badischer Unt. Verein.....	".....	50
Arthur C. Strassheim.....	".....	50
Henry Kleine & Co.....	".....	50
Int. Union United Brg. Workman's Local Union No. 18.....	".....	50
National Brewing Co.....	Chicago.....	50
Koester & Zander.....	".....	50
Badischer Unt Verein.....	".....	50
In. Union United Brewery.....	".....	50
Order der Herman's Soehne.....	Columbus, Nebr.....	48
A. A. Burger.....	Chicago.....	40
Rudolph Wagner, Buerger Verein.....	".....	38
Gustav A. Imm.....	Denver, Colo.....	35
John Hettermann.....	Louisville, Ky.....	30
Rev. C. Ziehe.....	Mason, Texas.....	30
Dr. Christopher.....	Chicago.....	30
Anton Meyer.....	Terre Haute, Ind.....	30
Rev. Karl Rest.....	Marshalltown, Iowa.....	30
United Singers of Philadelphia.....	".....	30
Collections of Marshalltown.....	Marshalltown, Iowa.....	29
J. H. Brase.....	Battle Creek, Mich.....	28
Ferdinand Walther.....	Chicago.....	25
Deutsche Krueger Kameradschaft.....	".....	25
A. C. Wackenreuter.....	".....	25
American Oven & Machinery Co.....	".....	25
H. Piper Co.....	".....	25
G. W. Cramer.....	".....	25
Spielman Bros Co.....	".....	25
Frank S. Seng.....	".....	25
N. N.....	".....	25
Paul Brauer.....	".....	25
Casper Brauer.....	".....	25
Platt Gilde Germania No. 37.....	".....	25
E. R. Hasse & Co.....	".....	25
Oesterreicher Kranken & Unt Verein.....	".....	25
Platt Gilde "Habsa" No. 38.....	".....	25
Edwin O. Raster.....	".....	25
Otto C. Schneider.....	".....	25
Platt Gilde "Fritz Reuter No. 4".....	".....	25
J. M. Kranz.....	".....	25
A. Bauer Dist. Co.....	".....	25
William Heineman.....	".....	25
Rev. L. Kohlman.....	".....	25
Adam Ortseifen.....	".....	25
Platt Gilde, No. Chicago No. 9.....	".....	25
Platt Gilde "Lake View No. 3".....	".....	25
Hamburger Club.....	".....	25
Platt Gilde "Treue Brueder No. 60".....	".....	25
Henry C. Dovenmuehle.....	".....	25
Gustav A. Bunte.....	".....	25
Platt Gilde "Eckentweig".....	".....	25
Schwaben Verein.....	".....	25
Chas. E. Schlytern.....	".....	25
Collections at Joliet, Ill.....	".....	25
Stein Ebertshaeuser & Co.....	".....	25

B. A. Eckhart	"	25. 00
Frank Trankhorst	"	25. 00
Herman Petersen	"	25. 00
Brand Brewing Co.	"	25. 00
Sieben's Brewing Co.	"	25. 00
Manhattan Brewing Co.	"	25. 00
N. N.	Terra Haute, Ind.	25. 00
C. Stahl	"	25. 00
N. Bendtorff	"	25. 00
Cohen, Friedlander & Martin	Toledo, Ohio	25. 00
German Historical Society	"	25. 00
C. A. Feist	Watertown, Wis.	25. 00
Platt Gilde "Nord West No. 12"	Chicago	25. 00
Henry C. Wemmer	"	25. 00
Kingston Branch A. E. C.	Kingston, N. Y.	25. 00
Deutscher Pioneer Verein	Toledo, Ohio	25. 00
Platt Gilde "Miles Center No. 32"	Niles Center, Ill.	25. 00
Francis Lackner	Chicago	25. 00
Arthur C. Lueder	"	25. 00
Chas. J. Swain	"	25. 00
John Traeger	Chicago, Ill.	25. 00
Chas. E. Schick	"	25. 00
Carl Buehler	"	25. 00
N. N.	"	25. 00
Reinischer Verein	"	25. 00
Arion Singing Society	"	25. 00
Louis C. Hartling	"	25. 00
A. A. Burger	"	25. 00
Platt Gilde "Junkerman No. 20"	"	25. 00
Verein Thue Recht & Scheue Niemand.	"	25. 00
Chas. Kroeschel	"	25. 00
H. Zitzwitz	2.	25. 00
Geo. Lauterer	"	25. 00
Jos. Hook	"	25. 00
Saml. Gessler	"	25. 00
Gegenseitiger Unt. Verein No. 14	"	25. 00
Fred LaBahn	"	25. 00
William Greiner	"	25. 00
C. Gallauer	"	25. 00
E. H. Knoop	"	25. 00
Henry Wedemeyer	"	25. 00
Peter Reinberg	"	25. 00
Best Brewing Co.	"	25. 00
Haegle Ice Co.	"	25. 00
Phil Rinn Co.	"	25. 00
Northwestern Terra Cotta Co.	"	25. 00
Francis Kaiser	Milwaukee, Wis.	25. 00
Texas Staats Verein Ger. American Alliance	San Antonio, Tex.	25. 00
Julius Niels	Cass Lake, Minn.	25. 00
Theo. Lange	St. Louis, Mo.	25. 00
E. C. Franke	Louisville, Ky.	25. 00
Wm. F. Tafel	"	25. 00
Otto Seelbach	"	25. 00
The Phillip Hollenbach Co.	"	25. 00
Louis Seelbach	"	25. 00
Geo. L. Everbach	"	25. 00
Wm. Ruedeman	"	25. 00
American Embargo Conference	Kingston, N. Y.	25. 00
C. Steinmeyer	LaSalle, Ill.	25. 00
Otto Froehles	"	25. 00
Carl Vogt	Lake Forest, Ill.	25. 00
Texas Staats Verband	San Antonio, Tex.	25. 00
Cake Bakere & Conf. Verein	Philadelphia, Pa.	25. 00
F. M. Bachman	Indianapolis, Ind.	25. 00
Dr. C. Thienhaus	Milwaukee, Wis.	25. 00
Wm. J. Uihlein	"	25. 00

Freeker Bros. & Co.....	Duluth, Minn.....	25.
Geo. G. Eitel.....	Minneapolis, Minn.....	25.
J. H. Hass.....	Davenport, Iowa.....	25.
German Alliance.....	Alleghany, Pa.....	25.
W. G. Kutsch.....	LaSalle, Ill.....	25.
A. L. Meyer.....	Omaha, Nebr.....	25.
Hugo Haubens.....	".....	25.
Storz Brewing Co.....	".....	25.
R. C. Strehlow.....	".....	25.
Metz Bros. Brewing Co.....	".....	25.

Mr. BIELASKI. It does not begin to total any such amount as was necessarily spent. It just simply lists the voluntary contributions from people who were genuinely interested in it.

Senator NELSON. Yes; I understand. Have you the men that attended the first embargo conference at Chicago?

Mr. BIELASKI. I think that is in some of the reports that we have yes.

Senator NELSON. Could you prepare that and put it into the record?

Mr. BIELASKI. Yes.

Senator NELSON. I think it is a good plan to get that in the record.

Mr. BIELASKI. We have so much material about the American embargo conference that I was afraid I would tire you by reading too much of it.

Senator NELSON. We can put it into the record. I would like to know who attended the first meeting at Chicago.

Mr. BIELASKI. All right, Senator.

(A report in regard to the Embargo Conference, produced from the files of the Military Intelligence Division of the War Department is here printed in full as follows:)

BIELASKI EXHIBIT No. 104¹.

MEMORANDA ON AMERICAN EMBARGO CONFERENCE.

G. H. Jacobson, founder, indicted Chicago about June 1, 1917, on charge of conspiring to violate the neutrality of the U. S. in that he spent German money in furtherance of a conspiracy in violation of the laws and dangerous to the peace of the U. S. Sentenced, now serving term.

Origin: G. H. Jacobson, a Chicago real estate dealer, started work in summer 1915. Got assistance of Wm. Boldenweck, former assistant U. S. Treasurer at Chicago, and Mrs. Carl Buehl, stockholder in Eidelweiss Brewery Co. of Chicago. He put up \$1,000, engaging Will R. Macdonald, former managing editor of the Washington Times and at time on the editorial staff of the Chicago American, as press agent. William Bayard Hale, Rev. Charles F. Aker and Col. Jasper Tucker Darling got in. Organized Sept. 14, 1915, with G. F. Hancher, president. Incorporated Illinois. By laws provided that there should be no dues nor assessments, and gave five members: Hancher, Jacobson, Macdonald, Darling and Hale. A self-perpetuating, close corporation. On Dec. 16, Wm. D. Falk was elected a member to succeed Hancher, who funct. and Hale withdrew, Feb. 12, 1916. Macdonald made general manager and J. H. Forrest of the Chicago American, secretary. Macdonald formed plan to put pressure on Congress through floods of letters and telegrams.

Activities: Report made Nov. 1, 1915, to Carl E. Schmidt of Detroit, stating 500,000 pledges of assistance had been received, and there had been mailed

60,000 copies of a letter by Aker and Dr. Walter Rauschenbusch.

50,000 copies of a pamphlet by Hale.

50,000 copies of a speech by Senator Works against the traffic in arms and ammunition.

30,000 copies of a pamphlet with speech by Col. Darling and editorials by Geo. Riley and Hearst.

¹ Further extracts from the files with respect to the German Embargo Conference may be found at page 1381 of these hearings.

In April, 1916, organized movement to send to Congress a flood of letters and telegrams protesting against supposed danger of war with Germany. About 250,000 messages sent, seven forms being used, and A. E. C. paying all tolls, estimated at near quarter of a million. Denounced by Husting. As result, Macdonald stopped the flood as suddenly as it began.

Purposes: Incorporation papers give sole aim of A. E. C. to be the prevention of shipment of arms and munitions to the Allies. A letter to a contributor of articles said:—

"We want the articles to be as fair as possible, especially at the beginning of the campaign, so that we can be the more sure that they will get into the papers. By 'fair' I do not mean that yours have been unfair, but that the editors who will have to be 'induced' to print our stuff will be looking for excuses and will reject anything that in any way compares Germany and England in a way that would give Germany the better of the comparison. I could explain what I mean much better in talking to you, but I think you get the idea. I do not mean that we should hold back any publicity in favor of Germany or against England, but we have to build the comparison articles on a thoroughly American background."

That the A. E. C. also worked by "direct action" was shown by the following letter sent out from headquarters to an organizer on Feb. 29, 1916:—

"Under the informal opinion of some of the Department of Justice officials in Washington, any letter, telegram or appeal to a munition worker asking him to quit work, or giving him reasons why he should not work in a munition factory, can be construed as a violation of neutrality.

"Now, can you re-write an article in such a way as to make it an abstract argument rather than a personal one?

Colon Schott, Cincinnati, \$300.

Henry F. Helmholtz, Evanston, \$1,000.

A. W. Hunber, \$1,000.

A. R. Hoffman, St. Louis, \$500.

Agents:—Cleveland, Carl Raid, Edward Fisher, Charles Wehnert. Hans Reh binder.

Cincinnati:—Howard C. Wurlitzer.

Detroit:—Dr. Otto Scherer.

St. Louis:—Hans Wulff.

San Francisco:—Daniel O'Connell, A. D. Bauer.

Chicago:—Herman Gerhard.

Brewer, etc., agents in Wisconsin only—active workers and helpers. Henry Gund, pr. John Gund Brewing Co., La Crosse, Wisc.

William G. Uihlein, Milwaukee—Uihlein Family.

August Storck, treas. Storck Brewing Co., Ripon, Wisc.

W. R. Wolfe, buffet keeper, Arcadia, Wisc.

Carl Michel, pres. C. & J. Brewing Co., La Crosse, Wisc.

J. W. Kieckhefer, pres & treas, Kieckhefer Box Co. Adv. reads "Wooden boxes for bottlers."

Mr. BIELASKI. You asked me this morning about Prof. Albert Bushnell Hart?

Senator OVERMAN. Yes.

Mr. BIELASKI. I have here a copy of his book: The War in Europe, which I have not had time to examine critically.

Senator OVERMAN. Give it to Maj. Humes to look into.

Senator STERLING. What is the date of the publication of that book?

Maj. HUMES. 1914.

Senator NELSON. If there is anything bad in it, have it put in the record.

Maj. HUMES. Mr. Hart has asked to appear here, and he will be here on Tuesday. I will go over this in the meantime.

Mr. BIELASKI. This morning I could not find the final page of a translation of this inclosure of Dr. Dumba's letter to Baron Von Burian, though I afterwards read to you the substance of it. I can put that in the record, or read it to you.

Senator NELSON. Is it long?

Mr. BIELASKI. I will read you an extract from it:

It is my opinion that for the special object of starting the Bethlehem and for the Bethlehem and western newspaper campaign, \$15,000 must be able to be disposed of, but it is not possible to reckon how ultimately be required; when a beginning has been made it will be to see how things develop, and where and how much it is worth while. The above mentioned preliminary sum would suffice to partially satisfy demands of the necessary newspapers and to a considerable extent the Bethlehem campaign.

Senator NELSON. That Bethlehem campaign was——

Mr. BIELASKI. To bring about a strike.

Senator NELSON. To bring about a strike among the Hungarians and other foreigners?

Mr. BIELASKI. Yes, sir.

He also says:

It is in any case worth while risking this amount for it will undoubtedly show some result, and if circumstances are lucky, and the leadership can arrive at positive results in the West comparatively cheaply. Bethlehem is one of the most difficult jobs.

I read a cablegram this morning from Ambassador Bernstorff at the Foreign Office in which he made mention of the fact of the German University League, and the use he was making of it.

Senator OVERMAN. Was that a league of university men in your country?

Mr. BIELASKI. Yes, sir.

I have here the constitution, trustees, and officers of the German University League, 1914 and 1915, apparently printed in New York, November, 1915.

Its constitution states its purpose to be:

1. To establish in the United States a well-organized center for students at German universities and other German institutions of higher learning, and to set standards in Germany, Austria-Hungary and other countries.

2. To cooperate with every effort to strengthen the regard for the German people and for their aims and ideals and to secure for them fair play and appreciation.

3. To correct misinformation about German conditions and problems, and to place before educated Americans and before the press of this country reliable material bearing on German affairs.

Senator NELSON. Who are the officers?

Mr. BIELASKI. The officers for 1915 and 1916 are:

President, Professor Camillo von Klenze. Vice Presidents: M. J. William R. Shepherd.

It seems to me Hein was Vierick's father-in-law, or something of that sort.

Mr. Shepherd was, I think, a professor at Columbia.

Maj. HUMES. And one of those whose names appear on the list submitted yesterday?

Mr. BIELASKI. Yes. [Continuing reading:]

Treasurer: H. C. A. Seeborn. Assistant treasurer: R. Pagenstecher. Recording secretary: Hugo Kirbach. Executive secretary: O. J. Merkel.

Pagenstecher was a man who, I think, contributed to even the most successful German organization ever organized in the United States.

Merkel is an alien enemy, the active operator of the concern of the Germans, and now interned.

The trustees, elected to serve from one to four years were:

Ernst Bilhuber, Dr. J. F. Boldt, Prof. A. Busse, Louis Doelling, F. Haas, M. R. Hein, Dr. Hugo Kirbach, Dr. Henry G. Krause, Dr. U. D. Marquardt, Hon Chas. Nagel, R. Pagenstecher, Prof. W. W. Rockwell, H. C. A. Seeborn, Carl L. Schurz, Dr. Hugo Schweitzer, Prof. Wm. R. Shepherd, H. E. Stoebr, of the woolen mills.

Prof. Camillo von Klenze, Dr. Edmund von Mach, Dr. F. Zimmerman.

Elected to serve for the current year: Prof. Starr Willard Cutting; Ad. K. Fischer, of Philadelphia, who was involved to some extent at least, in fact to a considerable extent, in the smuggling charges brought against the kommandant of the German war vessel *Etel Frederick* when she was in the harbor at Philadelphia; Louis Guenzel; W. S. McNeill; O. J. Merkel; Dr. Anton Schoen; F. Stallforth—that is Frederick Stallforth, the alien enemy, now interned, who was intimately associated with Rintelen, and active in a number pro-German propaganda activities—G. Steinhagen, and Dr. W. L. Wirbelauer. Dr. Wirbelauer was connected with the Sanders and Wunnenberg matter to some extent.

Senator OVERMAN. Have you a list of the members of the association?

Mr. BIELASKI. I think I have that also; yes. This pamphlet includes a lot of reports by various people, a list of pamphlets and books, and I will give it to Maj. Humes, and he can examine it and see if there is anything in it of interest other than what I have read.

Senator NELSON. Maj. Humes can pick out whatever he thinks is important.

Maj. HUMES. Did you want a list of the members of this league included in the record?

Senator NELSON. Yes; a list of the members of the league. You have given a list of the officers.

Mr. BIELASKI. Yes. Here is the next report, for 1915 and 1916, in which the officers have changed. This was printed in New York, November, 1916. It is the annual report and anniversary speeches. The speeches were by Prof. Camillo von Klenze, Prof. Edwin Jones Clapp, about whom I have already told you something, yesterday, who was the author of that book, called, I think, *The Economic Aspects of the War*.

Senator NELSON. With what college was he connected?

Mr. BIELASKI. The New York University; Hon. George Fred Williams, Dr. Edmund von Mach and Prof. Ernst Voss.

Senator OVERMAN. Is that George Fred Williams of Massachusetts?

Mr. BIELASKI. I do not know who he is.

Senator OVERMAN. He is a politician, is he?

Mr. BIELASKI. Let me see who he is. His address was entitled: "American Interpretation of German Civilization."

The speeches are all here.

Senator NELSON. I think he was a Member of Congress from Massachusetts at one time.

Mr. BIELASKI. Here is an original list which I think is a list of the membership, in the original book. It is divided more or less by territory.

Senator NELSON. By States?

Mr. BIELASKI. Yes.

Senator NELSON. Have you got Minnesota there?

Mr. BIELASKI. I happened to open the book right at N Senator; there are several pages.

Senator NELSON. The University League of Minnesota?

Mr. BIELASKI. I do not think this man seems to understand location of Minneapolis, Minn., because most of the people there under Minneapolis, Minn., live in Milwaukee. Possibly would like to look that over, Senator?

Senator NELSON. Yes; I would like to see it.

(The list referred to is here printed in full in the records:)

BIELASKI EXHIBIT No. 105.

BOSTON, MASS.

Ahlborn, Emil, 258 Marlborough St., Boston, Mass.
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 Fox, Rudolph H., 54 Oak St., Hartford, Conn.
 Francke, Kuno, Germanic Museum of Harvard Univ., Cambridge,
 Green, Robert M., 78 Marlborough St., Boston, Mass.
 Goettling, Gerhard M. W., 39 Boylston St., Boston, Mass.
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 *—Kellmann, F., 606 W. 113th St., New York City.
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 Kudlich, Hans E., 104 W. 87th St., New York City.
 *Kudlich, Hermann F., 104 W. 87th St., New York City.
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 Schoen, Anton, 238 E. 12th St., New York City.

- *Schoenrock, Hedwig, 309 E. 162d St., New York City.
- Schoenstadt, A., 2 Duane St., New York City.
- Schoeps, George, 206 W. 122d St., New York City.
- *Schrader, F. F., 63 E. 59th St., New York City.
- Schreiter, Heinrich, 50 Broad St., New York City.
- Schultz, W. M., 65 Atlantic Ave., Rochester, N. Y.
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- Schulze, Hermann, 43 Ridge Drive, Yonkers, N. Y.
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- Schweitzer, Heinrich, 218 W. 69th St., New York City.
- Schweitzer, Hugo, 117 Hudson St., New York City.
- Schüpphaus, Robert C., 175 Pearl St., New York City.
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- Stallforth, F., 120 Broadway, New York City.
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- Steffen, I., 30 Beckman Pl., New York City.
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- Stenzel, Werner, 597 Fifth Avenue, New York City.
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- Stoechr, Georg, 200 Fifth Ave., New York City.
- *Stoechr, Máx W., 200 Fifth Ave., New York City.
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 Klausmann, H., 304 Physicians Bldg., San Francisco.
 Kremser, Alois, 2315 Dwight Way, Berkeley, Cal.
 Kreutzmann, H. F., 1054 Sutter St., S. Francisco.
 Krotoszyner, Martin, 999 Sutter St., S. Francisco.
 Kuehne, Paul, 165 E. 33rd St., Portland, Oreg.
 Lehning, Albert, 1453 Bellevue Ave., Los Angeles, Cal.
 Lyman, George, 240 Stockton St., S. Francisco, Cal.
 Nicklas, Ph., 243 Sansome St., S. Francisco, Cal.
 Peters, H. H., P. O. Box 552, Oxnard, Cal.
 Pischel, K., Butler Bldg., S. Francisco, Cal.
 Raith, T., 2166 Sutter St., S. Francisco, Cal.
 Rendtorff, Karl, 318 Lincoln Ave., Palo Alto, Cal.
 Riessner, Wm., 1225 Lombard St., Sa. Francisco.
 Schorr, Robert, Postal Telegraph Bldg., Sa. Francisco.
 Seiler, Paul, 1480 10th Ave., Sa. Francisco.
 Treskow, F., Kentfield, Marin Co., California.
 Uhlig, Carl, Perry Building, S. Francisco.
 Von der Leith, H., 1035 Ashbury St., S. Francisco.
 Vowinkel, F. W., 1200 Octavia St., S. Francisco.
 Weil, C., 1912 Clay St., S. Francisco.
 Wissner, John P., 1935 Yolo Ave., Berkeley, Cal.
 —Abele, Paul, Sunnibend, Alberta, Canada.
 *Mayerhofer, A. F., Dannhelm, Waldhof, Germany.
 Liebeleisen, O., Central Delicias, Oriente, Cuba.
 Gabel, Chas., 805 Georgia St., Manila, P. I.
 Zaller, Mauricio, % Electric Works, Merida, Yucatan, Mex.

Mr. BIELASKI. I think it should be said that Prof. A. Busse, of Hunter College, resigned his position as secretary because he learned from various college men that the activities of the league were regarded as a species of German propaganda; and he gave some information about the operation of it.

Senator OVERMAN. I see here, in "Who's Who," George Fred Williams studied at Heidelberg and some other college in Germany, and was a Member of Congress and Minister to Greece.

Senator NELSON. That is the man; he was a Member of Congress and Minister to Greece.

Mr. BIELASKI. This document contains a list of the members as of 1917. I will put this list in the record, if you wish.

Senator OVERMAN. Let it go in, please.

(The list is here printed in the record, as follows:)

BIELASKI EXHIBIT No. 106.¹

President Edmund von Mach
 Vice-Presidents M. R. Hein Charles Nagel Camillo von Klenze
 Treasurer H. C. A. Seeborn

¹ Further data in relation to the German University League will be found printed at p. 1372 of these hearings.

Assistant treasurer R. Pagenstecher

Recording secretary Hugo Kirbach

Executive secretary O. J. Merkel

Trustees: Elected to serve from one to four years: Ernst Bill Dr. H. J. Boldt, 1918; Prof. A. Busse, 1917; Louis Doelling, 1920; 1917; M. R. Hein, 1917; Dr. Hugo Kirbach, 1918; Dr. Henry G. K Dr. U. D. Marquardt, 1918; Hon. Charles Nagel, 1918; R. Pagenst Prof. W. W. Rockwell, 1917; H. C. A. Seeborn, 1918; Dr. W. L. 1920; Ad K. Fischer, 1920; Prof. W. R. Shepherd, 1920; H. E. S Prof. Camillo von Klenze, 1919; Dr. Edmund von Mach, 1919; Dr. mann, 1919. Elected to serve for the current year: Prof. Starr A ting, Prof. Albert B. Faust, Louis Guenzel, Prof. Hans Carl G. von Prof. Thos. C. Hall, W. S. McNeill, O. J. Merkel, F. Stallforth Schoen, Carl L. Schurz, Dr. Hugo Schweitzer, G. Steinhagen.

Mr. BIELASKI. I find also in this file what appears to be is headed, really, "Draft," "Professor Shepherd: Member University League and Friends"—and I assume it is a d speech. He says one thing which has just struck my eye. [

To my mind, Deutsche Kultur is that stage of human achievement reached by an efficient application of the best results of activity in of knowledge gained at home and chosen from abroad to the we individual in the State.

That is not "culture," he says, but it is "kultur"—or I venture to think. This seems to be quite a pro-German

Senator OVERMAN. There are a lot of them in Boston you handed me.

Senator NELSON. I only find one in the list from Minn the Minneapolis people seem to be Milwaukee people.

Mr. BIELASKI. I notice that, Senator.

Senator NELSON. I find only one man there, Simon S Albert Lee, from Minneapolis.

Mr. BIELASKI. In 1917, Edmund von Mach had become dent of this German University League. I think he app original list as director, or trustee, or something like tha the author, I think, of "What Germany wants," "Germ of view," a chapter on Germany in "Why Germany is at think he first came to Harvard in 1893.

Senator NELSON. These books were published in Engl

Mr. BIELASKI. Yes, sir.

Senator OVERMAN. I see on this list, "Tauscher, H., 320 (this is the notorious Krupp agent in the United States acquitted of conspiracy in the plot to blow up the Well now in Germany)." Opposite his name on this list are "Don't send mail." What does that mean?

Mr. BIELASKI. I think that was a suggestion not to v mail might be seen by somebody, he having come pub attention of the authorities.

In addition, Von Mach made many speeches and v articles criticizing the Government officials, the Cabinet the course of the administration in general. He was the organization intended to ship milk to Germany, which great deal of publicity. He, according to the testimony o members who was associated with Von Mach, received a s per week as executive chairman and an allowance of \$5 a expenses. He was born August 1, 1870, in Germany, and

2. Ruthless naval warfare, i. e., the establishment of military areas on the high seas, with the threat to sink all ships entering them unwarned, was first proclaimed by Great Britain, who on November 2, 1914, by an admiralty order, established a military area on the high seas where all ships were to be sunk, unwarned, 'by mines . . . and warships.'

The first American ship sunk in a 'military area,' unwarned, during this war, was sunk as the result of this British' order.

The first American lives lost on ships so sunk were lost through the instrumentality of the British, when the American steamships *Carib* and *Evelyn* were sunk.

The first passenger steamers sunk, unwarned, during this war were Austrian passenger steamers sunk by torpedoes from entente submarines in the Mediterranean.

Germany established the first war zone on the high seas three months later than Great Britain, claiming that Great Britain's ruthlessness forced her to take this action, and offering to rescind her order as soon as her enemies would do likewise.

3. The British admiralty order of November 2, 1914, which began ruthless naval warfare, has been omitted from the Official White Book published by our Department of State. The German order has been printed, which gives the appearance that Germany and not Great Britain started the mode of warfare which has aroused American resentment.

The loss of American ships and American lives as the result of the British order has been suppressed as much as possible. The loss of American ships and American lives as the result of the German order has been fully published.

Our Department of State has not protested against the British order. It has protested against the German order.

4. At the outbreak of the war our Department of State asked the belligerents whether they were willing to abide by the Declaration of London. This declaration embodies the rules of naval warfare which the delegates of all the maritime nations of the world had accepted in 1909 as in keeping with the standards of modern civilization. Germany accepted our proposal. Great Britain rejected it.

Since then Germany has twice offered to conform her mode of warfare to the rules of this declaration, and even today it is not unreasonable to assume that she would be willing to forego the use of her submarines and abide by the standard of naval warfare set up by this declaration, if we can force the recognition of the same high standard by all the belligerents.

5. The Constitution has committed to Congress the definition and the punishment of "offenses against the law of nations." (Article I, Section 8, No. 10) "Great changes have occurred in the conditions and means of naval warfare since the rules hitherto governing" it were formulated (American note to Great Britain, March 10, 1915). Let Congress now define, as already suggested by Senator McCumber, what, in view of these changes, the United States feels obliged to regard as offenses against the laws of nations. Let Congress establish definite rules, and let us then enforce them impartially!

6. The submarine is a new, and as many believe, the coming weapon of naval warfare. When this war is over, the nations of the world will have to rewrite their "law of nations" with reference to it.

Our contention is that the submarine should obey the laws accepted for over-water craft. Germany's contention is that new weapons need new rules.

The attitude of the neutral nations in this war, except ourselves and China, is more favorable to Germany's contention than to our own. At least, this would seem so from their refusal to accede to the President's request to join us in breaking with Germany.

If we go to war to vindicate our interpretation, and suffer the untold horrors of war, and sow the seeds of hatred which in wartime are scattered like weeds, it may happen that the council of nations, after the war, may decide that the invention of the submarine has forced a change in the rules. This is, for instance, the contention of the American inventor of the submarine, Mr. Simon Lake.

In that case our boys will have died in vain!

7. Before the invention of powder, men did not fight each other in battle without giving an individual challenge, by a special warning, to the men they intended to attack.

After the invention of powder, when men could shoot at each other from a distance, the individual warning became obsolete.

Possibly the introduction of the submarine may make the individual obsolete, and a general warning take its place, as was suggested in the Austrian note.

8. The present unrestricted use of the German submarines has been imposed upon the German Government by the unanimous will of the Great Powers. The German Government had been willing, until recently, to restrict the submarines out of deference to our wishes.

It is the German people who have forced the Government to carry out what was said in the first German note on the submarine question. (Annals of the League, Book, No. 1, p. 57.)

"If England invokes the powers of famine as an ally in its struggle with Germany with the intention of leaving a civilized people, the alternative is starving in misery or submitting to the yoke of England's political and military will, the German Government is today determined to take up the challenge and to appeal to the same grim ally."

9. The German use of the submarine carries with it no hostility towards neutrals, least of all towards the United States, where millions of German blood have found a cherished home.

The German people regret as deeply as any of us that their Government and our Administration have been unable to find a solution to the great problems which have arisen between them and us as the result of what our Government of State has called 'the great changes which have occurred in the methods and means of naval warfare since the rules hitherto governing it have been violated. (Official White Book, No. 1, p. 70.)

10. "These great changes" have made it impossible for Great Britain to declare a legal blockade of the coasts of Germany. She has, instead, resorted to the illegal proclamation of 'military areas' on the high seas, which she has stopped our legal commerce with Germany.

The German people cannot understand why they should submit to British "military areas," where all neutral ships are threatened with destruction by "mines and warships," as officially announced by Germany, and should refuse to submit to the German "war zones," where they are threatened with destruction by submarines.

If the loss of American lives in the British "military areas" has been comparatively small, this is due to the fact that our Administration has secured its support from all who dared to enter them.

If we were to follow the same course with respect to the German "war zones," established by Germany as a retaliatory and defensive measure against Great Britain, we should avoid additional loss of American lives, and remove all danger of friction with Germany.

11. If we feel that we can no longer submit to having first one and then another belligerent close certain areas of the high seas to our commerce, we say to both that we shall no longer tolerate any interference with our commerce, and that we request both of them instantly to rescind their orders, and clear the high seas of mines sown by them and warships and submarines.

12. At the outbreak of the European war three states, out of a total of fifty-seven independent and sovereign states under which the population of the world are organized, owned more than one-half of the land area of the world. There are only about fifty millions of square miles.

In addition, these three held sway over practically all the strategic points of the water area of the world.

These three are Great Britain, Russia, and France.

All three are Colonial Empires, and therefore plutocracies.

13. Germany, their chief opponent in the war, is smaller than Texas, and her colonial possessions, with few exceptions, are of no great importance.

She is an economic democracy with a monarchical form of government, which Senator Hitchcock said in the Senate on March 4, last:

"That great people has grown up in the last forty-five years under the powers of an Empire. They occupy what for centuries has been the heart of Europe. Only within the last forty-five years have the Teutons been privileged to live in security and prosperity. We are wont to credit the German Government, and because our sympathies go strongly toward the German Government, we forget that the Government of Imperial Germany has done for its common people, the masses of the German people, during the last forty years than any country in Europe, at least, has done for its people."

14. During the period between 1890 and 1910, the period of German commercial expansion, Germany added to her territory only about ten

square miles of extraneous land, chiefly for coaling stations, and always by way of purchase or lease. ("America's Relations to the War," by Professor John William Burgess.)

During the same period "the three great Colonial Empires (Great Britain, Russia, and France) added millions of square miles to their colonial areas, and almost always by means of war and bloodshed."

15. During the entire long reign of Queen Victoria there was not one single year when the British Empire was not at war somewhere in the world.

The German Empire had been at peace with the world from the year of its creation in 1871 to the outbreak of the war in 1914.

16. Germany is today fighting a war at odds such as the world has never seen. Numerically, these odds against Germany are almost seven to one! And territorially, so far as the square miles of the world's surface are concerned, on the resources of which the respective belligerents can draw, the odds against Germany were at the beginning of the war, almost forty to one!

These figures do not take into account the United States, who during almost the whole of the war have been permitted to serve as the granary, and the treasury, and the arsenal of the Entente Allies.

A people which can fight against such odds is sustained by the conviction of the righteousness of its cause.

This wonderful spirit of the German people is described by an American woman who recently returned from abroad in these words: "I was in Germany two weeks, and felt all the time as if I were in church."

17. In spite of the enormous odds against her, Germany has at all times been willing to fight the war according to the rules of naval warfare agreed upon in 1909 by the representatives of all the large maritime nations, including the United States, and laid down in the Declaration of London.

All the measures taken by her which have aroused the indignation of the American people have been measures of retaliation against the unlawful measures of her opponents.

Germany claims that all the disputes between her and us are incidental to her proclamation of a war zone on the high seas. This proclamation, she argues, has been forced upon her by the illegal declaration of war zones or 'military areas' previously issued by her opponents, and by the submission to these British decrees by the neutral nations.

18. GREAT NATIONS FIGHT WHEN THEY ARE FORCED TO FIGHT. FOR PRINCIPLES. IT IS THE PRINCIPLE WHICH COUNTS, AND NOT THE LOSS SUSTAINED.

The principle at stake at the present time is the illegal establishment of war zones on the high seas. If it is true that Great Britain established those war zones first, and that we have not protested against them, we have forfeited our moral and legal rights in this matter.

LET CONGRESS, THEREFORE, AT ONCE CALL UPON THE DEPARTMENT OF STATE FOR A COMPLETE LIST OF ALL THE ORDERS AND PROCLAMATIONS OF SUCH WAR ZONES, AND OUR ANSWERS TO THEM. WITHOUT THESE PAPERS CONGRESS CANNOT DO ITS DUTY.

EDMUND VON MACH.

WASHINGTON, D. C., April 2, 1917.

(Inside of back cover:)

CONGRESS AND WALL STREET.

Anglo-French War Bonds to the value of several hundred millions of dollars, which the general will not buy, are tying up the funds of financiers who prefer to have their funds fluid.

The Bethlehem Steel Company has stated in its official report that it has \$35,000,000 tied up in these bonds. The United Steel is said to have \$40,000,000 tied up, and J. P. Morgan & Co. and other bankers of the syndicate have on hand several hundred millions of these bonds which they have been unable to sell.

If we loan large sums of money to the Entente Powers, taking for this purpose the money of the American people, Great Britain and France are expected to take care first of those American financiers whose funds are at present so unpleasantly tied up.

Making large loans to the Entente Powers, whatever patriotic motives may animate Congress, will amount to taking the money out of the pockets of the people and putting it into the pockets of Mr. Morgan and his friends.

(Outside of back cover:)

ARE YOU A LOYAL AMERICAN?

Loyal American Citizenship Consists in Keeping Unsullied One's to The Constitution and to the Principles on which this Nation was Founded—Humanity, Justice, and Good-will Toward All.

Mr. BIELASKI. Here is a communication which is issued to prevent a declaration of war—about a four-page circular. I do not suppose it is necessary to put that in.

In a letter written by George S. Viereck, December 7, 1916, was early, of course, he says he has received a letter from von Mach "which I consider to be a matter of grave importance. Mach desires an answer at once."

I do not know what the subject matter was, but that was addressed to Albert, and shows their intimacy.

Here are copies of the various circulars issued by the Committee for Food Shipments, with offices in the Woolworth Building, and with the treasurer in the Mills Building.

After we got in the war he was very active on behalf of the Germans who were interned, in trying to determine that they were held illegally.

He came down here to Washington and had as a press agent J. Ernst Hurst, who, I think, resides in Washington, or at least at that time, at 720 Twelfth Street NW.

He told us that Dr. von Mach had been very active for several days, but had succeeded in getting but one paper to publish a copy, the Washington Times, which published an advertisement for him—"Facts"—on Sunday and Monday before war was declared.

He was unable to get any information as to the source of the money that Dr. von Mach was spending. He paid his expenses in cash, and had a large supply with him, and made strenuous efforts to get in touch with Congressmen—unsuccessful for the most part, or altogether; and clear up until the morning of April 5, 1917, he seemed to believe that he would be successful in preventing a declaration of war.

He became convinced on the 5th of April that his efforts were hopeless, and returned to New York City.

Senator OVERMAN. What became of him?

Mr. BIELASKI. He is up there still—in Boston.

Here is a copy of a circular, addressed, "Dear Mr. Congressman," by Edmund von Mach, which was sent to us by Congressman Shaw. It was dated April 4, 1917, two days before we were declared at war, and was an effort to prevent action. It is short, and you may want to have it in the record, inasmuch as it is addressed to the members of Congress.

(The letter referred to is here printed in the record as follows:)

BIELASKI EXHIBIT No. 108.

DEAR MR. CONGRESSMAN: If we go to war, we shall do so in accordance with the principle that the seas are free, and that the establishment of naval bases of the like on the high seas is forbidden.

The facts, as they have become known officially and by the press, are different from the facts as many of us believe them to be.

Important documents have been suppressed, even in official publications.

Mr. C. E. Richardson, Librarian of Princeton University, referring to one such suppression writes:

"I know of no single act of intentional or accidental misleading of public opinion more flagrant or more directly bearing on vital issues of peace or war than this suppression."

Congress should have the facts. Will you not, therefore, please call on the Department of State at once to submit to Congress all the orders and proclamations issued by both sets of belligerents establishing "war zones," "military areas," "danger-zones," and the like on the high seas, and copies of our replies and protests sent in each case?

There can be nothing unpatriotic in calling for the facts. The facts will become known either now or later. We shall have to face them some time. Why not make sure that we are right before we go to war?

Very sincerely yours,

EDMUND VON MACH.

Mr. BIELASKI. He was in correspondence with Albert at various times, seeking his advice as to what points to be used in pro-German articles, and I think the telegram which I read this morning from Bernstorff to the foreign office shows clearly the source of his money. It came from the German Embassy.

The German Publication Society: This was an organization whose principal business—

Maj. HUMES. Before you get away from the citizens' committee for food shipments, do you know where that was organized?

Mr. BIELASKI. I did not know where it was organized until after I talked with you. You told me of some records from the military intelligence office of an authentic character showing that it was organized at the residence of Samuel Untermyer.

Maj. HUMES. Yes. The statements taken by the clerk at the time of the organization show that it was organized at the residence of Samuel Untermyer.

Mr. BIELASKI. This German Publication Society was first organized on July 15, 1912, but seems to have slept peacefully until about June, 1915, when it was revived for the purpose of distributing this work known as the German classics.

Theodore Sutro was president at one time, and C. S. Huntley, treasurer, and I think Mr. Huntley afterwards became the president. Its letterhead shows most all of the names, of course, German.

Maj. HUMES. Before we get away from that citizens' committee on food shipments there are two or three questions I would like to develop, that I am sure you are familiar with, at least with your recollection refreshed a little bit.

Did they ever actually do any shipping of foodstuffs, or were the funds used for other purposes?

Mr. BIELASKI. I think that they did attempt to make some very small shipments of parcels through the mail; but the \$30,000 which, as I recall, our records show was collected, a very small part of them could have been used in any possible food shipments.

Maj. HUMES. Is it not a fact that the only foodstuff that they undertook to ship was some condensed milk, or canned milk of some kind, and they shipped that by first-class mail?

Mr. BIELASKI. Yes.

Maj. HUMES. And that the postage rate on what they did ship was far in excess of the value of the product itself?

Mr. BIELASKI. That may be. I do not know the comparative but it did not amount to much, as compared with the \$30,000.

Maj. HUMES. Was not Dr. Rumely active in the organization of this committee?

Mr. BIELASKI. I do not know that he was active in its organization. I know he was active in connection with it.

Now, to get back to this German Publication Society, that June 15, 1915, Huntley, the treasurer, addressed a letter to Boaz, who is one of Albert's assistants, according to which Boaz was to furnish \$600 for two consecutive months for page ads, or a less amount than this if it is decided to take a full page, for advertising in the Literary Digest of the Classics; Mr. Boaz acting for Mr. Albert.

Under date of April 17, 1915, Mr. Huntley sent the copy of the ad to Boaz.

September 30, 1915, Huntley wrote to Boaz concerning advertisements, one in the Outlook, one in the New York Times, in the Nation and Outlook, advertising the sale of "German Classics."

Under date of November 30, 1915, he reported a list of sales.

On November 22, 1916, Mr. Huntley addressed a letter to the ambassador von Bernstorff concerning the need of funds for the organization, in which he goes very thoroughly into its liabilities and winds up by saying:

Finally, I take the liberty of again appealing to your Excellency that the aid sought is urgently needed to avoid the handicapping of the continuing the promotion and sale of this splendid work of ours, which without every set placed in public libraries, college libraries, or with private individuals is lending additional interest and belief in the greatness of Germany.

To eliminate a lot of correspondence about the subject matter, Mr. Albert advanced to this organization at one time \$5,000, and I think, \$20,000, the last advance being made through Mr. Schweitzer, for use in circulating these German classics as propaganda, and he took a mortgage on the plates of the publication to secure his \$25,000.

As usual, Mr. Sylvester Viereck had something to do with it, that he was very active in the attempted distribution of the German classics, even after we went to war, but stopped it as the espionage laws were passed, and the amendments to them.

Senator STERLING. What did the German classics include?

Mr. BIELASKI. There is quite a description of them here. They are just about what their name would indicate, with great emphasis upon the greatness and invincibility of Germany.

I see here a memorandum on February 6, 1917, three days after the break in diplomatic relations, this memorandum being written by Wolff von Igel and Heynen, which says:

20,000. The above amount was paid to Dr. Hugo Schweitzer for the use of German Publication Society as per authorization of the Ambassador.

Maj. HUMES. Will you explain who Carl Heynen is, in connection with your testimony?

Mr. BIELASKI. Carl Heynen was the Tampico, Mexico, agent of the Hamburg-American Line. He was very active in the

business down there, came to New York, and soon became one of the right-hand men, if not the right-hand man, of Albert in his commercial enterprises. He was one of the most intelligent and most clever of the German agents. He was a man selected by the ambassador to remain here and to close up the financial transactions having to do with the sale of German bonds in this country, and, I think, the funds with respect to those matters, which were with the Chandler firm of Philadelphia, were subject to Heynen's checks. He was interned, and is still interned, but he was particularly active in all sorts of commercial ventures, notably the Bridgeport Projectile Co., in which he practically was the directing hand behind the scenes. I think he officially occupied with that company the position of treasurer.

For the information of the committee—I suppose you are all familiar with it—that company, the Bridgeport Projectile Co., was a large munition factory located in Bridgeport, which was entirely financed by the German Government, the object being to tie up the powder supply in part, to get a monopoly for a time of certain kinds of presses that were used in the manufacture of munitions. The German Government put into it through Albert's office as I recall \$3,400,000.

Senator NELSON. That was after the war in Europe commenced?

Mr. BIELASKI. Yes. That really started about the summer of 1915, and they built a plant at Bridgeport. They bought a lot of powder and held it for awhile, but were able to get their money back on it by selling it to the Spanish Government, which was neutral. In that way they got back out of the money advanced to the Bridgeport Projectile Co. something over \$1,000,000 at that time.

Senator KING. What finally became of the plant?

Mr. BIELASKI. It was transferred, I think, to American ownership, but before we got into the war, I think.

Senator KING. Is there any question as to the bona fides of the transaction?

Mr. BIELASKI. The Alien Property Custodian of course has been into that very thoroughly and can speak much better than I can. We have simply made it available——

Capt. LESTER. That company is in the hands of a receiver.

Maj. HUMES. Mr. Bielaski, what do you know of the German control of the Bridgeport Projectile Co. for the purpose of causing industrial disturbances in other munition plants?

Mr. BIELASKI. I do not know a great deal about it, except that that was suggested, and that we find constant references to the Bridgeport situation, and some suggestion that by manipulation of wages or something of that kind, to cause disturbance and unrest in other munition factories.

We have here the original memorandum with respect to the agreement made between the Bridgeport Projectile Co. on the 17th day of April, 1916, and Wolff von Igel, who was the successor of von Papen as the military attaché here.

To get back to this subject of the German Classics, to finish that up, the \$20,000, as I just read from that original memorandum, was put at their disposal through Dr. Hugo Schweitzer on February 6,

1917, three days after we severed diplomatic relations. The
ing is a letter addressed to Dr. Hugo Schweitzer on that same

BIELASKI EXHIBIT No. 109.

NEW YORK, February 1

Dr. HUGO SCHWEITZER,
117 Hudson Street, New York City.

DEAR DOCTOR: I send you enclosed \$20,000 in cash with the request
this sum in the form of a two-year loan at the disposal of the German
cation Society, 597 Fifth Avenue, New York City. As security for
the company gives us a mortgage on the plates of the book, "German
The papers as well as the specifications of the plates are in the poss
Mr. Lindheim under whose guidance I beg you to conduct the furt
tations. The responsible manager of the company is Mr. Huntley
you to communicate with this gentleman and, advise him that your
owner of the mortgage would appear on the papers and that you w
to give the money. The money will be repaid in weekly installments
eight weeks after the beginning of the loan, and will bear 4 per cent
to be calculated semi-annually. May I ask you to receive this intere
for us?

With marked esteem,
Sincerely yours,

H.

That is initialed "H" in Mr. Heynen's handwriting and
Mr. von Igel's.

Just in passing, for whatever interest it may be, there is
here of correspondence with Mr. Wolff von Igel with the So
Modern Art, New York City, in which the treasurer ackno
receipt of a letter concerning the proposed loan of \$4,000
society.

This was January 26, 1917, in which they wanted a loan
years. However, they decided that the conditions on Jan
1917, were not satisfactory for such a loan, but they left th
open, and on February 5 sent Dr. Hugo Schweitzer, that is,
to Dr. Hugo Schweitzer, a check for \$4,000, so that they did
ally go into the matter.

Just to put in the record the facts with respect to the
American Literary Defense Committee, it had its headqu
150 Nassau Street. The executive secretary was Alfred A.
This man Sander was one of the men convicted of sending
England for Germany, and that was his organization.

I find May 29, 1915, that Sander writing as executive sec
this defense committee sent Dr. Albert to Mr. Reginald Ru
with a note of introduction, stating that he wanted to go ov
other side.

Mr. Hale apparently—at least the note is written from
1123 Broadway, June 1, 1915—wrote the following:

BIELASKI EXHIBIT No. 110.

[Room 614, 1123 Broadway, New York.]

JUN

DEAR DOCTOR ALBERT: I see no reason to alter the report I made
Mr. Rutherford's case. I think we should hesitate to employ in an
confidential work any one whom some of us do not thoroughly know.

While this correspondence would indicate that at this time Mr. Hale and Dr. Albert were not favorable to Rutherford's going abroad, he actually did go abroad as a German spy and served as a German spy in Holland for a considerable period. We made some effort to get him back in this country for the purpose of trying him, but were unsuccessful. He could not be extradited, and he preferred to stay in Holland.

Senator KING. Does he still desire the climate of Holland?

Mr. BIELASKI. I think he does. He was, of course, active also in one of the Irish societies. I do not just recall the name, but it will probably come to me in a minute. His name appears on the letter-head as one of the officers.

The American Truth Society, the agency which was most active on behalf of German propaganda. Mr. Jeremiah O'Leary was the president. Mr. O'Leary is under indictment in New York City for his activities, as I said before, in connection with the confessed German agent Madame Victorica and a man who was named Karl Roediger. for their activities after we went to war.

Some idea of the get-up of this society is found possibly in this copy of a postal telegram sent:

BIELASKI EXHIBIT No. 111.

[Postal telegram. E. 42d St. 501 Fifth Ave.]

NEW YORK CITY, N. Y., April 10, 1916.

RUDOLF PAGENSTECHER,

30 East 42nd St., New York, N. Y.:

Washington situation very serious. An important conference concerning will be held at offices of American Truth Society, 210 Fifth Avenue, Wednesday evening, April twelfth, at eight o'clock. Your presence is urgently requested. Matters will be discussed there that will have great bearing on the situation.

GEORGE SYLVESTER VIERECK.

JOSEPH FREY.

BERNARD H. RIDDER.

FREDERICK H. SCHRADER.

Rev. G. C. BERKEMEIER.

MICHAEL H. O'ROURKE.

CHARLES A. COLLMAN.

CHRIS. REBHAN.

HUGH MONTAGUE.

JEREMIAH A. O'LEARY.

Pagenstecher was a participator in most of the German societies.

Maj. HUMES. What year was that?

Mr. BIELASKI. This was April 10, 1916. Many of those names here of course have been referred to already in the testimony. The only name that I think I have not mentioned before is that of Charles A. Tollman, who was the author of one of the German pamphlets I think circulated by the German information bureau.

Some of the pamphlets which came from the files of the American Truth Society I have listed here. Several of them are widely known among the pamphlets used as German propaganda. Their titles are: A voice in the Wilderness, September, 1917. Are American Industries in Peril? J. A. O'Leary. British v. German Imperialism, by Neutral Publishing Co. Campaign Book of American Embargo Conference. Militarism by Rutherford. American Truth Society's Letter to Woodrow Wilson, 1912. Fair Play for Germany, an address by J. A. O'Leary. Chicago, 1915. Truth Society Replies, March 23, 1912. Free Speech and Press by Weinberger of New York Bar. Would a German Victory be a Calamity for the World, by Harry Carr of Los Angeles Times, reprinted De-

ember 16, 1916. American-Irish Historical Society, 191 Oration, 1915, Boston. The Faith of a Hyphen, by L Sanborn. Answer of Hon. T. St. John Gaffney. In Conciliation, 1915. Report of Bank Depositors' Commi organized by American Truth Society. Sir Edward's Peace Movement and Democratic Government, by J. A Private Profit and the Nation's Honor, by Charles Al View of the Cause of the War, Dublin reprint, 1914. The ness of America, by W. M. Butler. The Proposed Coi Act, by J. A. O'Leary. Who Wants War, by J. A. O'L Viereck-Chesterton Debate. Germany and the War, by Gruner, 1915. The Lies of the Allies by Frank Koeste Violation of Geneva Convention, by French Troops. Conspiracy by Alex Grau-Wandmayer, etc., published b American Defense Committee, 150 Nassau St. German About the Freedom of the Seas. Damaging Evidence Ag lish Hypocrisy, by Dr. M. M. Rifat, Berlin, May 15, 1915.

Senator KING. Who was Charles Aked?

Mr. BIELASKI. Charles Aked was a clergyman of note Pacific coast.

Senator KING. A famous English clergyman, a man v this city recently delivering lectures?

Mr. BIELASKI. He became an American citizen, I think.

Senator KING. I know Dr. Aked. That is, I have met h wondering if I knew him.

Mr. BIELASKI. Just how much the German Government financing the American Truth Society has never been fully We found the record of the transfer of some \$10,000, I th on the books of Kuhn, Loeb & Co., if I recall correctly—I ing from recollection about this—which money, we think. the German Government. In any event, on April 20, 19 a check drawn on the National City Bank, "Pay to the ord tav Dopsleff \$500," signed by an officer of Speyer & Co.. sent pursuant to the following letter of Dr. Albert, on head:

BIELASKI EXHIBIT No. 112.

[H. F. Albert, 45 Broadway, New York.]

NEW YORK, April .

MESSRS. SPEYER & Co., 24 Pine Street, New York City.

DEAR SIR: I herewith inclose check to your order for \$3,000.—(th dollars) which amount please place to my credit.

Please issue your cashier's check for \$500.—(five hundred dolla of Gustav Dopsleff, and debit my account accordingly.

Yours, very truly,

H.

Of course, a cashier's check would not show from who the money came.

That check for \$500 bears the indorsement of Gustav credit account of American Truth Society, Gustav Dopsleff

Dr. Albert was also furnished with some of the materi by the American Truth Society. The list of directors of contains the names of Jeremiah A. O'Leary, G. W. Mea yard Smith, G. Sylvester Viereck, Bernard H. Ridder

Schoenfeld, Joseph Frey, James K. McGuire, Julius Holz, Rev. G. C. Berkemeier, James F. Quinn, Mr. Seitz, P. J. Reilly, L. C. Kelly, Hugh Montague, Henry Cordts, Mr. Hoffmeyer, Herman Kind, Watson A. Guthrie, William Keavy, Frederick Schroeder, Dr. Franz Koempel, Wm. Strittmatter, Frederick Schang, and John J. Ruth.

I think from 80 to 90 per cent of the names of the contributors to this society were Germans, evidently. They, however, collected a good deal of money in small amounts, and we have a list of the contributors, which, I take it, is not of any particular interest to the committee.

Senator STERLING. There were a good many Irish names, were there not?

Mr. BIELASKI. A good many, but the German names are far more numerous. Otto Hein, \$200. Whether that was his own money or not I do not know. We have a report here containing the comments of Mr. Bernard H. Ridder, made to one of our agents, and some of the chief contributors. If you would like to have me do so I will read it.

Senator NELSON. All right.

Mr. BIELASKI. It reads as follows:

BIELASKI. EXHIBIT No. 113.

C. F. W. Graef: A German business man located at 99 Nassau street who is thoroughly disgusted with O'Leary and his methods, and might give some interesting information about him.

Julius Holz: Publisher of the German "Herold" and a strong pro-German partisan.

Otto Heins: A German subject, I believe, and connected with the Bosch-Magneto Co., or was until recently. Suspected by the rabid German element of being untrue to their cause.

H. Janssen: Proprietor of the Hofbräu House, 30th street and Broadway; strongly pro-German.

W. Knauth, of Knauth, Nachod & Kuhne, 120 Broadway: Pro-German, but timid and not active.

Jeremiah A. O'Leary: A scheming politician and agitator, crafty and disreputable; a blatherskite in print, but a physical coward without the courage to appear in public as a speaker to advocate his disloyal views, preferring to stay behind and offer his legal assistance; has little or no following, except such a low heeler as John Gill, who, I suspect, may some day try to do me bodily injury because I have repudiated his master O'Leary.

John J. O'Leary: A brother of Jeremiah, having no money of his own; a mere shadow of the other.

R. Pagenstecher: An American-born son of a very fine old German gentleman. R. undoubtedly has in his possession papers pertaining to the workings of the "Society." Prominently connected with the German Club.

A. Pavenstedt: The greatest German today in American territory. A subject of Germany, but a thorough Democrat at heart, whose dream is to go to Germany after the war and preach world-wide Democracy.

R. Erbslöh: One of the finest and most loyal Americans in this city, though of German birth.

I had neither time nor inclination to attend meetings of the American Truth Society, and when I realized how disloyal its tendencies were, I got out of it.

If you are interested in the story of Otto Heins, he was manager of the Bosch Magneto Co. George von Skal, who was attached the office of von Papen, accused him of accepting contracts for furnishing magnetos to the English for aeroplane use. He defended himself on the ground that he was not violating the German law with respect to aiding the enemy, because his purpose in accepting the contracts was to retard their production. He would not deliver anything. He

would put them off from month to month, and so materially their industry. The thing developed into quite a scrap between Skäl, of von Papen's office, and Capt. Boy-Ed, of von Papen's office. Boy-Ed standing by Heins and delivering, according to the document, an elaborate defense of Heins. It seems that this was brought to the attention of Dr. Albert, and he sided with Heins and decided that Heins in his effort was entirely justified, and did not have any intent except that of aiding the German cause. This is a very long story from the official papers, but I think I have enough to show what it was.

There is a summary here of the entire matter, a copy of which Heins made, September 15, 1915, to Boy-Ed, giving information about what was going on for the allies in the control of boats, shipment of munitions, and so on.

Senator KING. Before this record is completed, with these numerous documents, I suggest that Maj. Humes go over them and then submit to the chairman of the committee a list of them as he thinks should go into the record, and if the committee approves, then let them go into the record.

Mr. BIELASKI. Jeremiah O'Leary was the man to whom the president sent his telegram telling him that he would be deeply grateful to have anybody like him vote for him. O'Leary got out a letter which takes I do not know how many pages, in answer.

Senator OVERMAN. We do not want that.

Mr. BIELASKI. It was circulated by the American Truth and all of these other cartoons.

Senator OVERMAN. Maj. Humes, will you go over that and see if there is anything in it that we want to print?

Senator KING. Have you anything in your files, or is there anything to which you can testify, showing the activities of the Sinn Feiners in connection with German propaganda or any connection between their organizations and the German propagandists in this country?

Mr. BIELASKI. I do not know as an organization. Of course there were men who were members of the organization who were active for the German cause, but I do not know that they were as an organization that their official action was.

Senator KING. But the Sinn Feiners were active in the German cause?

Mr. BIELASKI. Oh, yes.

One other form of German propaganda was the sending of agitators around, of whom Miss Ray Beveridge was an example. She was an American who had spent much time in Germany. She came over here from Germany and undertook to work on behalf of the German Government.

Mr. Albert, in writing to the embassy under date of April 1, 1915, says:

Out of the funds placed at my disposal I have paid \$3,000 to Miss Ray Beveridge. As is well known, Miss Beveridge is to give lectures in the United States in favor of the German cause and show stereopticon pictures.

May I humbly ask repayment of the above amount, and in the form of a check on New York to the order of G. Amsinck & Co. This sort of thing is advisable in order that I may not appear in the matter.

Receipt for the disbursed amount of \$3,000, is adjoined hereto.

That receipt, as I recall, was really in the name of H. A. Boaz, who was Albert's assistant and who managed Miss Beveridge's affairs.

Senator NELSON. Was the naval attaché?

Mr. BIELASKI. No; Boaz was an employee of the Hamburg-American Line, who assisted Albert.

Miss Ray Beveridge received a couple of telegrams from Bernstorff, one dated February 19, 1915 [reading]:

BIELASKI EXHIBIT No. 114.

WASHINGTON, D. C. *February 19, 1915.*

Miss RAY BEVERIDGE,

Care-Mrs. Gue, Hempstead, N. Y.

Many thanks for letter as I cannot be in New York for some days when I hope to see you there. Please communicate with or see Doctor Dernbergh Hotel Ritz-Carlton. I did not receive any parcel yet.

J. BERNSTORFF.

The next one was dated Washington, February 20, 1915, and reads as follows:

BIELASKI EXHIBIT No. 115.

Miss RAY BEVERIDGE,

Care Mrs. Gue, 460 Fulton Ave, Hempstead.

Many thanks have just received parcel hope to see you end of next week Ritz Carlton.

J. BERNSTORFF.

We have no definite way of knowing what that parcel contained, but believe it was certain propaganda films which she brought over, and possibly some private messages. A contract was entered into between Miss Ray Beveridge and Mr. Boaz, and Werba and Luescher, a New York corporation, covering her lecture tour, which gives in detail the arrangement, except that it does not show that the financing was from the German Government. She traveled around the country and collected considerable money at her lectures, under the guise of collecting for the German Red Cross. She retained some parts of the collection for her own expenses, and sent some of them to the German representatives of the Red Cross.

I find here a record which may be of interest to you, of the purchase of the control of La Reforma, a paper in Mexico which was controlled by the Germans and used by them in furtherance of their propaganda work. I do not think you will be interested in all the papers. It simply shows that they financed the paper absolutely.

Senator OVERMAN. I think that list of the members of the University League had better be printed. We ought to know their names. I do not want any of them to teach in my State.

Senator NELSON. I think that is important.

Mr. BIELASKI. As of some interest I want to call your attention to the plan for a big press bureau which was drawn up and submitted to Dr. Albert, the facts concerning which were printed in the New York World for August 15, 1915. It involves the organization of a press service here and in Germany which was to be used for the German cause. I do not think anything came of it, because while it was a very elaborate scheme, gone into very fully, the fact that it was made public was enough to make it difficult to work, but the copy of the memorandum is here, if you wish to see it.

Senator NELSON. Mr. Bielaski, have you any data about propaganda in Mexico?

Mr. BIELASKI. Oh, yes. They had a regular service down here.

Senator NELSON. You can give us some facts on that?

Mr. BIELASKI. I can give you some facts on that, but I did not say anything, because I thought you were primarily interested in propaganda here. They had a regular bureau in Mexico City, from which they distributed German propaganda.

Senator NELSON. A good deal of what you have presented is to be called academic. However, you know all about their attempts to get up strikes, and getting up strikes, and blowing up our factories.

Mr. BIELASKI. Yes.

Senator NELSON. And blowing up bridges and that?

Mr. BIELASKI. Yes; but I did not consider that violation of law came under the head of German propaganda. Most all of the facts about their violations of law have been made public. I can give you a résumé of that, with respect to their causing strikes and blowing up bridges.

Senator NELSON. I wish you would give us a brief résumé of what has been done in that direction. You need not state a great deal of evidence, but state the cases.

Mr. BIELASKI. Yes.

Senator NELSON. We ought to have that go into the record. I would be glad to have you show up their attempts to get up a revolution in India, their attempts to blow up bridges in Canada, over on the west coast of British Columbia, their attempts to blow up the Welland Canal, their attempts to get up strikes in the coal mines, and their manufacturing of bombs to put on our vessels, commencing with the activity of that man who attempted to blow up the bridge at Vanceboro, Me.

Mr. BIELASKI. Werner Horne.

Senator NELSON. Yes; give us an outline of it, so we can put it in the record.

Senator OVERMAN. A brief history of it.

Senator KING. I should like to ask Senator Nelson whether he thinks that all he has outlined is embraced within this resolution.

Senator NELSON. I think so. It is a part of the German propaganda.

Mr. BIELASKI. There are some important matters with respect to German propaganda we have not reached yet, but I suppose I will put them off until the committee meets again.

Senator OVERMAN. We will meet at 12 o'clock Monday, and if the Senate does not meet, we can run all day.

(Thereupon, at 4 o'clock and 25 minutes p. m., the committee adjourned until Monday, December 9, 1918, at 12 o'clock noon.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

MONDAY, DECEMBER 9, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 12 o'clock noon, in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman, Sterling, King, and Nelson.

Senator OVERMAN. I have received a telegram this morning reading as follows:

NEW YORK, N. Y. 8

HONORABLE LEE S. OVERMAN,
Chairman Judiciary Subcommittee,
Senate Office Building, Washington, D. C.

I shall be in Washington at the Treasury Tuesday and ask the opportunity to appear before your committee then or at your later convenience to explain my connection with matters about which you are inquiring. Will submit a written statement for the record if you prefer. I request that meantime there be noted my respectful protest against the use of your records as a medium of public pillorying and misrepresenting loyal and public spirited citizens for having in nineteen fifteen joined a movement which was supported by the authorities and given wide publicity by the press at the time to secure aid of the State and Post Office Departments in furnishing milk to starving German babies. The same thing was being done for French babies and by some of the same people including myself.

I did not know of the circumstances but it now appears that in nineteen fifteen Mrs. Untermeyer committed the heinous crime of not only permitting but of actually abetting a meeting at her home to devise ways and means of urging upon our State and Post Office Departments that they secure the consent of Great Britain to the lifting of its blockade insofar as to permit dried milk to be sent to the starving babies of Germany. Our Government was then insisting that the blockade was contrary to international law and a personal appeal was made to President Wilson. It further appears that this widely advertised "Criminal" organization was to furnish the milk and that Mrs. Untermeyer not only encouraged but actually contributed to this malign "Propaganda." And that too at a time when we were at peace with Germany as well as with the rest of the world. As soon as Mrs. Untermeyer found that our Government was unable to do anything to get the milk to Germany over the blockades she reluctantly resigned. She of course knew nothing about Dr. Von Mach's other activities if he had any. It so happens that a like organization which has been successful in raising money and in furnishing large shipments of milk to babies of France was and is still receiving my support and is in possession of my home at six seventy five Fifth Avenue in this city free of rent at a cost to me of over twenty five thousand dollars a year for rent and advertising. It is having no difficulty in feeding French babies. I ask whether in all fairness it is right to permit such activities to be characterized and widely advertised by the hated name of propaganda and thus to mislead the public into suspecting the motives of citizens whose public spirit they would applaud if they knew the facts. I request that this message be read into your record so that it may receive as wide publicity as was given the sensational and unjust implications it is intended to correct.

SAMUEL UNTERMEYER.

I wrote him we would be glad to hear him at some time but not to-morrow.

Senator NELSON. I have a telegram here, Mr. Chairman. Mr. Simon Strauss, of Albert Lea, Minn., who was the only one who appeared to be connected with that educational propaganda had testimony about the other day, from Minnesota. I will have that telegram put in the record.

Senator OVERMAN. All right; that may be done.

Senator NELSON. I will read it, as it is brief [reading]:

ALBERT LEA

Hon KNUTE NELSON,
U. S. Wash'n, D. C.

In today's Minneapolis and St. Paul papers I see my name mentioned as the only Minnesotan who was a member of the German University League in 1914. As represented to me by circular letter this was a league for the study of scientific subjects only. Flattered by the offer of membership and on this representation I accepted the membership. This was never declared and so far as I know my membership was never renewed. I am not now a member. Since the United States entered the war I have taken an active and loyal part in promoting all our war plans and activities. I have purchased bonds made contributions to the various drives and assisted in the sale of bonds by public speaking and otherwise. I protest against being called a pro German and trust you can get this protest read into the record for I count myself a loyal and active United States citizen.

SIMON STRAUSS

Senator OVERMAN. I also had a conference with Mr. Garfield. His name was mentioned here, a newspaper man connected, I think with the Courier, and he wishes to be heard. I told him he could be heard any time. He claims that he has been at all times pro-American instead of pro-German.

Now you may proceed, Mr. Bielaski.

TESTIMONY OF MR. A. BRUCE BIELASKI—Resume

Mr. BIELASKI. Mr. Undermyer's telegram reminds me that in connection with the memorandum which Dr. Albert made public, the explanation of the so-called World exposé article in August, 1915, in Dr. Fuehr's notebook or diary for 1915 appears the following:

SUNDAY, AUGUST 1, 1915

The World publishes exposé regarding the German propaganda against Dr. Albert, Viereck, Van Papen, Schweitzer. Drive to Cedarhurst for conference with Albert, Hatzfeldt. Called on Undermyer.

That was the first day that the World made public its disclosures.

There was a species of propaganda among the laboring Germans and Austro-Hungarians with a view to having the employment of all organizations engaged in the production of material which was useful to the allied Governments in the war.

On June 19, 1915, the following circular letter was sent to Bernstorff to the German consulates at New York, Philadelphia, Cincinnati, St. Louis, San Francisco, and Chicago. This is a translation of it:

BIELASKI EXHIBIT No. 116.

CEDARHURST, N. Y., June 19, 1915

Strictly Confidential.

It is asserted from any sources that in the industries in the United States which have turned to the delivery of war material, many German

occupy leading positions. According to directions received by me from the Imperial Chancellor, these subjects are to be notified that their employment in such industries is contrary to the duty which they owe to their Fatherland, as the said local industries work exclusively for the enemies of Germany. In this connection, special attention is called to paragraph 89 of the "Imperial Penal Code."

Which he quotes.

I therefore request your Honor to determine what persons in your consular district come within this category, and then to get into communication personally and orally—

The words "personally" and "orally" are underscored—

With such persons in your district as

1. Are beyond any doubt German subjects
2. Are employed in positions above that of common laborer, etc.

Such persons must vigorously be taught their duty toward their country. The fact must also be brought to their attention that this self understood duty does not give them the right, after giving up said employment, to demand of the Empire that they be given other equally profitable employment, or the continuance of their previous pay. I will remark confidentially, however, that in individual cases, after careful investigation, the question of giving assistance will be considered, where it is absolutely necessary.

And then he outlines what assistance will be given.

Senator NELSON. That is von Bernstorff?

Mr. BIELASKI. Yes.

In cases wherein doubt may arise as to whether the products of a certain plant shall be regarded as war material, or whether the plant is delivering to our enemies, I request that Herr Military Attaché be communicated with, at the following address: Care of German Consulate General, 11 Broadway, New York City.

I also request that you send your report to the same address as to the steps taken by you in this matter.

Following that, Capt. von Papen received reports from various persons as to the employment of Germans and Austro-Hungarians, and later the Hungarian Government issued similar instructions, and had inserted in the papers a notice calling attention to the provisions of their law.

In connection with that movement to take Austro-Hungarians and Germans out of the munition and other factories, they organized what was called the Hans Liebau Relief Bureau. Hans Liebau was, I think, an architect in New York City, and always maintained to the public, representatives of the press, and others, that this bureau was a philanthropic organization supported entirely by contributions from individual persons. As a matter of fact it was organized and under the direction of the representatives of the German and Austro-Hungarian Governments, and financed by them.

Mr. Liebau also maintained, I believe, that he was serving without compensation; whereas the records of Capt. von Papen's office, some of which came into the possession of the department at the time of the arrest of Von Igel, showed that he was receiving a salary, I think, of \$75 a week, and that other of their employees were also paid.

Senator NELSON. What was his nationality?

Mr. BIELASKI. He was of German descent. I think he had been naturalized. He maintained a principal office in New York City and branches in five or six cities around the country including, I think, Bridgeport, Cleveland, Chicago, Cincinnati, and Philadelphia.

Under date of March 24, 1916, there is a communication which makes mention of the manner in which this bureau was organized.

(The document referred to is here printed in the record as follows:)

BIELASKI EXHIBIT No. 117.

NEW YORK, March 24, 1916.

I take the liberty to refer to the communication of the Imperial and Royal Austro-Hungarian Chargé d'Affaires, dated March 4, concerning the Bielaski Bureau ("Liebausche Buro"), copy of which was sent here.

I see from that communication that nothing is known to the Imperial and Royal Chargé d'Affaires, relative to the arrangements of the Imperial and Royal Ambassador Dumba, which included a subsidy of the aforesaid Bureau for a lengthy period.

My inquiries have disclosed that in the course of a conference with Captain Von Papen, Messrs. Rittmeister Hecker, Dr. Von Kleinwaechter and Consul Otto. The Attaché Prince Hohenlohe, as representative of the Imperial and Royal Ambassador, advised that the Imperial and Royal Government, as well as the German Government, (Note: The word "Reichsregierung" is interpreted by translator as German Government) would support the undertaking. On the strength of that announcement the activities of the Bureau were also extended to subjects of the Imperial and Royal Austro-Hungarian monarchy.

Entering into the particulars concerning the success of the Bureau, I wish to state that at the end of February, 1916, after an activity of 6½ months, over 8,000 applications had been received, of which 4,744 were new applications. (Inasmuch as the Bureau assigns to each applicant a position immediately, in order to avoid, as far as possible, the payment of relief moneys, it frequently occurs that the applicant is not suited for the particular position and after a short time reports back again. On the other hand, as a result of the above method, those who are unwilling to work and who merely applied in order to secure relief funds, are quickly found out and eliminated). On the whole, 4,466 positions were permanently filled. One third were subjects of the Austro-Hungarian monarchy. Sixty per cent of all applications came from people who were working in war-material-industries. There can hardly be any doubt but that the remaining forty per cent would in all probability, have turned to such industries where shortage of labor existed, that is to say, the war-material-industries, had it not been for the activities of the Bureau.

Engineers and people in the better positions who had means of their own were induced by the propaganda of the Bureau to withdraw from war-material-concerns, and without claiming any workman's relief, they sought occupation elsewhere. Cases of this nature frequently came to the knowledge of the Bureau.

The calls from war-material-concerns for technically equipped forces, of which there is shortage everywhere—calls which particularly lately have been received with frequency—furnish a proof of the Bureau's success. Inquiries on the part of the Bureau have ascertained that the commercial employment bureaus of the country have absolutely no offers of unemployed technical men to make.

Patriotic sentiment and allegiance for the Fatherland among the workmen has undoubtedly been awakened through the activity of this employment agency. Repeatedly people have visited the central and branch offices, in order to express their thanks for the assistance furnished them. However, I will not go into the question now as to whether or not the continuation of the Bureau after the war appears desirable.

At any rate, for the period of the war the continuation of this Institution is desirable and will be maintained for military reasons by the German Government even if the Imperial and Royal Government should withdraw its support from the Bureau. Many disturbances and vacancies suffered by the war-material-concerns, which could not always be removed quickly, but on the contrary often resulted in long drawn strikes, can be traced back to the energetic propaganda of the Workmen's Relief.

It is to be emphasized that the Bureau keeps absolutely within the scope of the law of the country and it takes care only of *such* people as *will not* work in the war-industries. As already stated in my previous report, even the Department of Justice has recognized the legality of the Bureau after a thorough investigation. Furthermore, voluntarily the Bureau asked for cooperation with the state employment agencies and submitted to state supervision. Under these circumstances and especially inasmuch as all the gentlemen who are permitted

to inspect the organization and the financial support of the Bureau are officers of the German Government, I can not share the apprehensions of the Imperial and Royal Chargé d'Affaires to the effect that the Imperial and Royal representative might be injured as a result of unavoidable indiscretions.

Here is another communication, which I think would be of interest to put in the record, and yet I doubt the advisability of reading it; but it gives more details of the financing of the organization by the German and Austro-Hungarian organizations; the amounts they have spent, and so on.

Senator NELSON. What is the total amount they have spent?
Mr. BIELASKI. It was \$8,000. That was the organization of which Mr. Lieban was the head.

Senator NELSON. Let that go into the record.
(The letter referred to is here printed in the record in full as follows:)

BIELASKI EXHIBIT No. 118.

No. 184/16.
Secret.

NEW YORK, March 1, 1916.

This office has received a communication from the Austro-Hungarian Consulate General at this place to the effect that Baron von Zwiedenik, Austro-Hungarian Chargé d'Affaires, is of opinion that the proposition made by Captain von Papen for an employment bureau for German and Austrian subjects who leave war-material factories does not fulfill its purpose and that for this reason he could not assume the responsibility of granting further pecuniary assistance to this bureau.

I would respectfully request your excellency upon occasion to call the Austro-Hungarian Chargé d'Affaires's attention that it is now impossible to withdraw from the arrangements made by his excellency, Mr. Dumba, the Austro-Hungarian Ambassador. The obligation on the part of Austro-Hungarian subjects to leave war-material factories exists now as much as five months ago.

It is impossible for the employment Bureau now to refuse to help Austrians and Hungarians whether for no reason or even for the reason that there is no money available for them. On the other hand, the Austro-Hungarian Charge D'Affaires can hardly demand that the German government should furnish the funds in order to help Austro-Hungarian subjects.

No doubts are entertained here but that the Bureau has worked with great success under the most difficult conditions.

Up to March 1, of this year, 4,301 persons were furnished employment in peaceful industries as follows:

German subjects.....	2, 832
Austrians and Hungarians	1, 479

In assistance a total of \$8,000 was given from the German fund of which, according to the above statement, \$2,750 would be due from the Austro-Hungarian government.

Thus far, the Austro-Hungarian embassy has furnished \$2,000 so that we ought to request the refund of \$750, which is the amount expended by us over and above the said sum.

The results attained by the expenditure of the money can by no means be restricted to the foregoing statement relating to persons procured employment in peaceful industries. Much larger is the number of those whose conscience was awakened by the publications emanating from the Bureau and who voluntarily severed their connections from war material factories and sought other employment without applying to the Bureau for help.

The best proof of the effectual work of the Bureau consists in the constant attacks which were made from all quarters against the enterprise. All such attacks were fruitless; on the contrary, the investigations by the Department of Justice, resulted in showing the absolute legality of the undertaking. (See enclosure.)

I beg of your excellency to kindly call the attention of Baron Zwiedenik to this latter point as there is an impression here that the apprehension that his

money checks might become known and utilized against him contributes greatly toward his unfavorable attitude toward the Bureau.

If the money is sent in cash through the Military Information Bureau here, the secrecy of the transaction will be guaranteed.

Persons furnished employment up to the last of February 1916.

Germans	2,822, or about $\frac{2}{3}$
Austro-Hungarians	1,479, or about $\frac{1}{3}$
	<hr/> 4,301

These figures may be somewhat changed when the final reports of the Branch Offices are received.

Received :

German	\$6,000
Austro-Hungarian	2,000
	<hr/> 8,000

The proper proportion would be :

For Germany	\$5,250
For Austro-Hungary	2,750
	<hr/> 8,000

Furnished employment up to the end of January 1916 :

Germans	3,889, $\frac{2}{3}$
Austro-Hungarians	1,127, $\frac{1}{3}$
Received from Germany	\$4,000, or $\frac{2}{3}$
Received from Austro-Hungary	2,000, or $\frac{1}{3}$
	<hr/> 6,000

Mr. BIELASKI. We have, in addition, detailed statements and monthly reports which were made to the office of Capt. Von Papen by this bureau. For instance, I just happened to find here a monthly report for February, 1916, which gives the number of applications, a statement of the activity of the organization, the expenses, and a detailed statement of the amounts received and of how this money was spent, including numerous entries of salaries to Hans Liebau of \$75.

Senator OVERMAN. Let that go into the record.

Senator NELSON. Yes; that is a good thing to go in.

Mr. BIELASKI. That is a complete statement. Then it takes up the expenses of the branch offices.

Maj. HUMES. Is that the organization that was in charge of Zacharias in Pittsburgh?

Mr. BIELASKI. Yes, sir; he was the head of the Pittsburgh office.

Maj. HUMES. Have you with you any of the form of cards that they used, showing that they maintained not only an industrial but a military enrollment of the men?

Mr. BIELASKI. I have not that with me; but the record we have shows all sorts of data about it.

Maj. HUMES. I thought perhaps you had one of those cards with you.

Mr. BIELASKI. No; I have not. The Pittsburgh office was in charge of W. Zacharias. His salary was \$20 a week. This report bears on the New York office.

Senator OVERMAN. Let that go in.

(The report referred to is here inserted in the record in full, as follows:)

BIELASKI EXHIBIT No. 119.**R. D. v. M. T.****MONTHLY REPORT FOR FEBRUARY 1916.**

During last month, the number of fresh applications was 835, the number of re-applications 862, and a total of 983 positions were filled.

Since the beginning of activity of the "Central Bureau," from August 1914 to the end of February, 2828 German subjects and 1638 Austro-Hungarian subjects were given employment. The total number of new applications and reapplications thus far, has amounted to over 8,000. 60% of the whole number came from ammunition and the war material factories and 40% would have gone to these factories if the Central Bureau had not taken care of them.

The labor statistics have also been prepared more in detail than previously and now afford a better view and better information regarding the activity of the laborers' relief (institution).

The frequency of applications to the Bureaus unquestionably would still have further increased if the general situation of the labor market had not improved. In many cases persons who had originally applied here, found better positions without our assistance even in neutral factories or work, after they had been placed on the right path by us.

The activity of the organization is making itself felt, for the reason that, as our success becomes better known, more and more persons give up their positions in war material factories even without availing themselves of the direct assistance of our Bureau. To mention a particular case: Mr. Ludewigs, member of the Newark Technical Association, resigned his post as operative engineer with Zeh and Hanemann, because this factory had begun to give indirect aid to ammunition production. In his new position he receives a considerably less salary. Mr. Lieubau found in the Newark Technical Association a keen interest for the laborers' relief, just as told in the above mentioned case, of a change of conditions.

The internal organization was rendered more compact by transferring Mr. Uhde from Bridgeport to Pittsburgh. Mr. Liebau inspected the Grant offices at Bridgeport and Philadelphia, during the month and in Pittsburgh and Chicago, an official of the Central office was remarkably successful in acquainting the directors of the branch offices with the system of the New York Central Bureau.

The constant inquiries of the salaries asked and actually paid is gradually becoming very noticeable. The indirect influence of the war material manufacturer is recognizable. Hand in hand with this goes the comparatively quicker ability to find employment not only for skilled artisans but also for unskilled and ordinary factory laborers. Many large works are now being compelled to make all kinds of concessions of which they would not have stopped before, such as allowances for traveling expenses, payment of advances, and some attention (although not much) to providing quarters for workmen, etc. We have frequently called attention in the press to present conditions in the labor market, and we have made an urgent request of employers not to take advantage of the needy situation of our proteges by offering abnormal low wages. Even direct discussions with certain factories have had good results as the accompanying correspondence shows. We may mention our efforts in this respect with reference to the charge made against us in socialistic newspapers, that we were lowering wages by furnishing too cheap labor. We hear from Philadelphia that the Ruthian Bishop Ortynsky at that place is taking a specially keen interest in our cause by calling the attention of his people every Sunday to our organization from his pulpit and impressing it upon their conscience.

The zealous activity of Mr. Lauter of Bridgeport is to be thanked for the fact that the German American Central Union of the state of Connecticut has interested itself in our organization, to such an extent that we have twice received a check for \$25.00 from this union.

At Detroit, a sub-division of the Cleveland Branch office has been established under the management of Mr. H. Hanson. The suggested opening of a branch office at Boston and the contemplated subdivision of the New York Central office at Newark have had to be given up for the time owing to the

difficulty of financing them. Furthermore a branch office at Cincinnati and at least one in the far west would be very desirable according to frequent inquiries from these regions.

FINANCES.

The expenses for February amounted to \$2392.38 or about \$2.43 per head of persons furnished employment as against \$2.98 in January, and \$2.95 in December.

The total expenditures including Branch offices had amounted to \$15,179.23 up to the end of February, 1916. There remains a balance of \$802.12 at disposal so that we must count upon larger contributions in March for maintenance of the enterprise. The voluntary contributions in February were not very satisfactory, but we have reason to hope, that the month of March will show an improvement in this respect. Mr. Albrecht is going to visit Philadelphia and Reading.

Enclosed:

1. Labor statistics for February 1916.
2. Extracts of accounts of the Central and Branch Offices.
3. Correspondence with the Atlantic Terra Cotta Co.

(Signed) K. ROTTE (?)

MONTHLY EXTRACT OF THE CENTRAL OFFICE AT NEW YORK CITY
FEB. 1916.

1. Balance brought forward-----	\$883. 75	1. Petty fund (Bargmann)-----	2. 00
2. International Silver Co. Re- imbursement-----	3. 00	" Labor fund F. Lauter, Bridge- port-----	50. 00
3. Mrs. Adele Krueger (Kueh- nem Pamphlet)-----	10. 00	" Travelling expenses, Meriden, Max Tuerck-----	3. 00
9. Albrecht collection-----	700. 00	" Petty fund (Boyes)-----	5. 00
" Conn. Central Union-----	25. 00	2. Office rent-----	75. 00
10. Miss B. Weisbarth-----	50. 00	" Salvation Army Meal and Lodging allowances-----	12. 80
		2. Foster Scott Ice Co-----	2. 60
		" Towel Supply-----	1. 40
		4. Travel Allowance, Plainfield Paul Tanselow-----	6. 00
		" Postage (Stein)-----	2. 00
		" Petty fund (Boyes)-----	5. 00
		5. Expenditure for information (Hoffman)-----	1. 50
		" "-----	
		(Mayer)-----	6. 00
		" Salary Hans Liebau-----	75. 00
		" " L. Bargmann-----	8. 00
		" " W. Boyes-----	25. 00
		" " K. Stein-----	14. 00
		" " G. Kobecke-----	20. 00
		" " J. Dobriansky-----	14. 00
		" " S. F. Meyer-----	18. 00
		" " J. Hoffman-----	10. 00
		" " F. Harbig-----	14. 00
		" " J. Vincent-----	20. 00
		" " A. Albrecht-----	25. 00
		" Journey to Bridgeport Cen- tral Union, Liebau-----	7. 50
		" Labor fund, J. Nashohold, Phila-----	50. 00
		" " " W. Zacharias, Pittsburgh-----	60. 00
		" " " F. Lauter, Bridgeport-----	40. 00
		8. Fire Insurance, 136 Liberty St-----	15. 47
		" Drinking water-----	1. 60
		" Stationery-----	6. 50
		" Petty fund (Boyes)-----	3. 00
		" Labor fund, Doctor Niven Chicago-----	60. 00
		" " C. H. Weh- nert, Cleve- land-----	60. 00
		10. " " F. Lauter, Bridgeport-----	60. 00
		" Foster & Morgan, Lawyers	
		8. Support Lothar Fritsch-----	1. 00
		" Bridgeport-----	25. 00
		" New York Telephone Co-----	15. 00
		11. Labor fund W. Zacharias, Pitts-----	75. 00
		" Traveling expenses, 9 men Keasby, N. J-----	4. 50

Carried forward-----	\$1671. 75
Carried forward-----	1671. 75
14. Bridgeport, Saugin Slick Soc-----	10. 00
15. J. D. Aug. Hartz-----	10. 00
" Bern. Vess Ice Co-----	10. 00
" Blit Schmelke-----	5. 00
" G. A. Stoneware Works re- imbursement-----	13. 75
16. Mrs. E. Maurer-----	2. 00
19. Mrs. L. Schmidt (Brook- lyn)-----	10. 00
Carr'd For'd-----	\$1, 733. 50
Carried forward-----	\$1, 733. 50
21. Mrs. L. A. Diestelkamp-----	5. 00
" For Kuhnemann Pamphlet-----	4. 00
22. Mr. Hennigson-----	10. 00
" Through Dr. Bertling- (Staats-zeltung)-----	26. 00
23. Alfred G. Lange-----	1. 00
" Theresa Sommer-----	5. 00
24. Anonymous-----	500. 00
" Milwaukee-----	100. 00
25. Miss Helen Schraeder-----	10. 00
26. Albrecht Collection-----	800. 00

Carried forward-----	\$894. 60
Carried forward-----	\$894. 60
11. Postage fund (stein)-----	2. 00
" Expenditures for informa- tion(Hoffman)-----	. 80
12. Expenditures for informa- tion (Meyer) and collect- ing premium-----	18. 25
" Salary, Hans Liebau-----	75. 00
" " L. Bargmann-----	8. 00
" " W. Boyes-----	25. 00
" " K. Stein-----	14. 00
" " G. Kobecke-----	20. 00
" " J. Dobhiansky-----	14. 00
" " S. F. Meyer-----	18. 00
" " J. Hoffman-----	10. 00
" " F. Harbig-----	14. 00
" " J. Vincent-----	20. 00
" " A. Albrecht-----	25. 00
14. Petty fund (Boyes)-----	5. 00
" Account H. W. Riker painter-----	1. 75
15. Labor fund, Dr. Niven Chicago-----	65. 00
" Petty fund (Bargmann)-----	2. 00
16. Expenditures for informa- tion (Hoffman)-----	1. 05
17. Labor fund, F. Lauter Bridgeport-----	50. 00
" Labor fund, J. Naschold (Philadelphia)-----	50. 00
18. Traveling expenses, eight men Kesby, N. J-----	1. 40
19. Journey Liebau (Philadel- phia)-----	12. 00
" Salary, Hans Liebau-----	75. 00
" " L. Bargmann-----	8. 00
" " W. Boyes-----	25. 00
19. Salary, K. Stein-----	14. 00
" " G. Kobecke-----	20. 00
" " J. Dobriansky-----	14. 00
" " S. F. Meyer-----	18. 00
" " J. Hoffmann-----	10. 00
" " F. Harbig-----	14. 00
" " J. Vincent-----	20. 00
" " A. Albrecht-----	25. 00
" Expenditures for informa- tion (Meyer)-----	6. 00
" Expenditures for informa- tion (Hoffmann)-----	2. 00
" Traveling expenses, Bridge- port, Pittsburgh (Uhde)-----	20. 00
" Collecting premium paid (Stein)-----	1. 75
" Hungarian translations (Bela Dettre)-----	2. 00
" Loan, Sam Klein-----	. 50
Carried forward-----	\$1, 625. 10
Carried forward-----	\$1, 625. 10
19. Traveling expenses, Pitts. to Chicago (Vincent)-----	20. 00
" Postage fund (Stein)-----	2. 00
21. Petty fund (Boyes)-----	5. 00
" Hungarian trans. (Bela Dettre)-----	2. 00
" Traveling allow. (Passaic, Zilske)-----	. 75
21. Assistance in drawing ta- bles Carl Thurnblaeser-----	1. 00
" Translations, Josef Yargin-----	5. 00
23. Labor fund, Dr. Niven; Chi- cago-----	50. 00
23. Labor fund, C. Wehnert, Cleveland-----	50. 00
" " " W. Zacharis, Pittsburgh-----	60. 00
24. " J. Naschold, Phila- delphia-----	50. 00
" " Assistance in draw- ing, Curt Kind-----	1. 50
25. Traveling txp. 6 men, Tot- tenville-----	2. 10
" Relief, Ernst Tunkel-----	1. 50
" Assistance in drawing, Curt Kind-----	1. 50
26. Petty fund (Boyes)-----	5. 00
" Assistance in drawing, Curt Kind-----	1. 50

	" Relief, Adolph Schleicher--	1
	" Postage fund (Stein)-----	2
25.	Trav. Allowance, Allentown Gangeloff-----	1
24.	Trav. Allowance, Easton, P. Blumenthal-----	1
23.	Cost of Transporting safe and desk-----	5
25	Labor fund, F. Lauter, Bridgeport-----	50
	" Expenditures for information (Hoffmann)-----	2
26	" " for information (Meyer)-----	6
	" Salary, Hans Liebau-----	7
	" " L. Bargmann-----	8
	" " W. Boyes-----	2
	" " K. Stein-----	1
	" " G. Kobecke-----	2
	" " J. Dorbriansky-----	1
	" " S. F. Meyer-----	1
	" " J. Hoffman-----	1
	" " F. Harbig-----	1
	" " J. Vincent-----	2
	" " A. Albrecht-----	2
	" Labor fund, C. Wehnert Cleveland-----	4
	" Labor fund W. Zacharias, Pittsburg-----	3
	" " " Dr. Niven, Chicago-----	4
	" Expenditures for elevator service-----	2
	" Traveling exp. 9 men, Newark-----	2
29	Administrative Expenses January 1916-----	80
	" Balance-----	802

\$3, 194. 50

Mar. 1 Bal. Carried forward \$802. 12.

8, 194.

K. Ro. (initialed)

Extract of account of the Philadelphia branch office, February, 1916.

Febr. 1916				
1	Balance.....	\$49. 18	1/29	Office expenses, Trav. money, etc..... \$7. 25
1/29	Kuhnemann's.....	3. 50	"	Printed matter..... 7. 00
5	Liebau.....	50. 00	2	Telephone, Keystone.. 1. 50
15	F. Schuler (paid back).....	. 15	"	" " Bell, Jan. and Feb..... 6. 71
15	Paul Krag.....	. 15	1/29	Salary Louis Schwab.. 50. 00 5 wks.
17	Kuske—paid back.....	. 30	"	" Naschold..... 80. 00 4 "
18	Liebau.....	50. 00	"	" Assistant..... 19. 00 4 "
25	".....	50. 00	1/31	Mich Zahn..... . 10 relief
			2	Max Wolfgang..... . 75 Trav. M
			"	G. Steinbach..... . 50 "
			"	Max Fischer..... . 50 "
			"	Franz Albrecht..... . 25 "
			"	A. Muller..... . 25 "
			3	G. Steinbach..... . 50 "
			4	Fisher, Max..... . 20 relief
			4	Steinbach, G..... . 20 "
		\$203. 28		\$174. 71

Feb. 29, 1916..... 203. 28

Balance carried for..... \$24. 87

February 1916.

1916. Brought forward..... \$174. 71

2/14 Carl Steckerl..... . 25 Trav.

" Alois Steckerl..... . 25 "

" Jose Herzog..... . 25 "

" Fritz Herzog..... . 25 "

18 Jos. Hoffmann..... . 20 "

18 Franz Schutz..... . 75 "

23 Franz Schafer..... 1. 00 "

" Franz Honicke..... . 50 "

25 Adolph Schilling..... . 25 relief

Feb. 29. Balance..... 178. 41

24. 87

\$203. 28

(Signed) JACOB NASCHOLD.

Branch office at Bridgeport Conn. February 1916.

1. Balance -----	\$15. 30	1. Portfolio of documents-----	1. 25
1. Cash-----	50. 00	2. Traveling expenses to New Haven-----	3. 65
7. Check, central office-----	40. 00	2. Supplementary payments for stationary (?) typewriters for January-----	1. 50
1. " "-----	60. 00	5. Salary for Carl Uhde, week ending Feb. 5-----	15. 00
8. Paid back by Nitzsche-----	3. 00	8. Relief K. Elmann-----	1. 00
8. Donation, unknown-----	2. 00	8. " Hein, Drescher-----	1. 00
8. Check, Central Office-----	50. 00	10. " Herm. Krampfel-----	. 50
4. Donation, Seller-----	. 50	10. Traveling expenses to Hartford, so Manchester, Meriden, and New Haven, from Feb. 7-10-----	16. 45
4. " Schuetzer-----	. 50	11. Office rent, Cole Co-----	15. 00
5. Cash-----	50. 00	11. Domestic servant for cleaning-----	2. 00
	<u>\$271. 80</u>	11. Elevator boy-----	. 25
		11. Letter register-----	. 25
		12. Payment on typewriter (receipt Jan.)-----	10. 00
		12. Salary of Carl Uhde, week ending Feb. 12-----	15. 00
		12. Relief M. Lenowelt-----	. 60
		12. " Otto Kopp-----	. 60
		14. " M. Lenowelt-----	. 75
		14. Traveling expenses to New York-----	3. 10
		15. Relief M. Lenowelt-----	. 30
		19. " M. Lenowelt-----	1. 15
		19. Salary, Carl Uhde, week ending Feb. 19-----	15. 00
		19. Traveling expenses to New Haven on Feb. 19-----	2. 55
		23. Stamps (15¢ to 2¢ each)-----	. 30
		23. Street car fares-----	1. 15
		23. Partial payment on typewriter-----	5. 00
		25. Relief, H. Mahlmann-----	. 50
		26. " H. Mahlmann-----	. 50
		26. Fare to New York-----	3. 10
		26. Salary of Andrew Scabo for week end. Feb. 26-----	15. 00
		28. Fare to Beacon Falls, Conn.--	. 60
		28. Paper-----	. 10
		28. Fare for three persons to Beacon Falls-----	1. 47
		29. Paper and ink-----	1. 25
		29. Postal cards-----	. 10
		29. Salary of F. Lauder from Jan. 31 to Feb. 26-----	80. 00
			<u>216. 97</u>
		Balance-----	54. 83
March 1, 1916 Bal. Carried for--	\$54. 83		

Extract of account of the Chicago Branch Office for February, 1916.

10. Check, Central. Feb. 8-----	\$60	Assets -----	\$25. 06
7. Check, " " 15-----	65	Rent -----	10. 00
6. Check " " 25-----	50.	Postage, fares, telephone-----	3. 80
From Dr. Niven-----	24. 28	(5) salaries -----	33. 00
		Advertisements -----	1. 40
		Stationary -----	. 83
		Printing -----	3. 00
		Franked envelops-----	1. 04
		Postage, fares, telephone-----	4. 50
		(12) salaries-----	33. 00
		Advertisements -----	. 72
		(19) Salaries-----	33. 00
		Postage, fares, telephone-----	5. 60
		Advance to W. C. Brown-----	4. 00
		Gas -----	2. 10
		Printing -----	2. 00
		(26) Salaries-----	33. 00
		Washing -----	. 70
		Special delivery-----	. 10
		Help -----	2. 50
			<u>199. 35</u>
		Deb. to Dr. Niven-----	24. 35

FINANCIAL REPORT OF THE BRANCH OFFICE AT PITTSBURGH,
for February, 1916.

RECEIPTS.		EXPENDITURES.	
Date.		Date.	
1. Balance from Jan-----	1. 58	2. Table for office-----	1
5. Check, H. Leubau-----	60. 00	4. Salary, W. Zacharias-----	2
11. Reimbursement Roesslerl-----	. 51	4. " M. Marian-----	2
14. Reimbursement Franke-----	. 50	4. " M. Marian to Feb.-----	2
14. Gift, Franke-----	. 25	12. -----	2
14. Check, H. Liebau-----	75. 00	7. Office rent-----	2
19. Reimbursement Bechtold-----	. 60	4. Traveling allowance Marian-----	1
19. Gift Bechtold-----	. 40	8. Myer LL for services-----	2
24. Check, H. Liebau-----	60. 00	12. Salary W. Zacharias-----	2
29. " "-----	80. 00	15. Office material-----	2
Total-----	229. 84	15. Postage stamps-----	2
29. Furnished by W. Z-----	12. 72	15. Cards and letter paper-----	2
Total receipts-----	\$242. 56	18. Office material-----	2
		19. Salary, W. Zacharias-----	2
		24. Office material-----	2
		26. Salary W. Zacharias-----	2
		26. Salary K. Uhde-----	1
		28. Advance to K. Uhde-----	1
		29. "-----	1
		29. Newspapers in Feb-----	1
		29. Extra expenditures in Feb-----	1
		29. Office material-----	1
		29. Relief granted in Feb-----	1
		Total-----	\$242. 56

90 furnished employment
Pittsburgh, February 29, 1915.

W. ZACHARIAS
Extract of Account of the Cleveland Branch Office for February, 1916.

1. Balance-----	\$48. 36	1. Relief, Anton Schmidt-----	\$4
2. Steve. Domansky reimburse- ment-----	. 25	1. Rent, February-----	1
3. N. Manalak-----	. 05	1. Relief, Hans Wagner-----	1
4. Check, Weisbalch-----	8. 00	1. " Herman Haberlein-----	1
7. N. Manalak, reimburse-----	. 20	2. " Steve Domaski-----	1
8. Herman Haverlein-----	. 30	2. " Carl Meisner-----	1
9. Check #162, Central office-----	60. 00	2. " Hermann Haverlein-----	1
9. J. E. Jordan, reimburse-----	1. 00	2. " Peter Hoffman-----	1
9. Johann Vogt, reimburse-----	. 80	3. " Nicholas Manalak-----	1
10. Johann Vogt-----	. 80	3. " Adolph Krueger-----	1
12. J. E. Joradan-----	. 50	3. " Johan Motyl-----	1
12. Johann Vogt-----	. 80	4. " Joe Milbauer-----	1
12. Herman Moehring-----	. 20	4. "-----	1
12. Johan Motil-----	. 50	4. Printing-----	7
14. Hermann Baeberlin, reimburse-----	. 30	4. Salvation Army-----	1
14. Christian Schalling-----	. 10	4. Relief, Emil Ritter-----	1
14. J. E. Jordan-----	. 50	4. "-----	1
14. Carl Braun, reimbursement-----	. 10	5. Salary, C. Wehnert-----	9
15. Carl Braun-----	. 10	5. " D. Heiner-----	7
19. George Helmster, reimburse- ment-----	2. 00	5. Relief, George Helmster-----	1
19. Robert Lange, reimbursement-----	. 25	3. " Adolph Krueger-----	1
23. Paul Pietsch-----	. 25	3. " Albert Lettek-----	1
23. S. Domansky-----	. 50	7. " Carl Braun-----	1
24. George Helmster-----	1. 50	7. " George Helmster-----	1
24. Check #174-----	50. 00	7. " Albert Dinkel-----	1
26. Peter Baumann-----	1. 35	7. " Anton Schmid-----	1
26. Peter Baumann-----	. 25	8. " Albert Drickel-----	1
26. Christian Schallman-----	. 20	9. " George Helmster-----	1
28. Check #178, Cen. Office-----	40. 00	9. " Herman Moehring-----	1
		9. Relief Hans Dietze-----	1
		10. " Frank Schultz-----	1
		10. " George Helmster-----	1
		11. " Robert Lange-----	1
		11. " Adolph Krueger-----	1
		11. " George Helmster-----	2
		12. Relief Christain Shellman-----	1
		12. "-----	1
		12. Salary C. Wehnert-----	9
		12. " R. Zucker-----	7
		12. Relief Albert Dinkel-----	1
		14. " George Helmster-----	1
		15. "-----	1
		15. " Frank Wydawka-----	1
		15. " George Konradus-----	1
		17. " Emmeri Ugrowitsh-----	1
		17. " Harry Maier-----	4
		18. " Fred Schwartz-----	1
		18. Typewriter rent-----	1
		18. Relief, Carl Kraemer-----	1
		18. Relief, Fritz Vollmer-----	1
		19. Salary, C. Wehnert-----	9

19.	"	R. Zucker	8. 50
19.	Relief	Alex. Schulz	. 50
19.	Telephone,	half	5. 05
19.	Relief,	Frank Soga	. 50
19.	"	J. E. Jordan	1. 00
19.	"	Carl Braun	. 50
19.	"	Carl Moissner	. 50
19.	"	N. Nanalak	8. 00
19.	"	Fritz Vollmer	1. 00
21.	"	J. E. Jordan	. 50
21.	"	Carl Meissner	. 50
21.	"	George Helmster	. 35
21.	"	Frank Soga	. 50
22.	"	H. Domansky	. 50
22.	Trip to	Detroit	12. 80
22.	Relief,	Harry Maier	8. 00
23.	George	Helmster	. 75
23.	Relief	Frank Soga	. 50
23.	"	Paul Reiber	. 25
25.	"	Von Goeritz	1. 00
25.	Check, #48	H. Hanson	20. 00
25.	Relief	George Helmster	. 50
25.	"	Frank Soga	1. 00
26.	Salary	C. Wehnert	9. 00
26.	"	R. Zucker	7. 00
26.	Relief	Nicholas Manalak	1. 00
26.	"	George Helmster	1. 50
28.	"	Fritz Vollmar	1. 00
28.	"	J. E. Jordan	1. 00
28.	"	H. Haberlein	. 25
28.	"	Fred Schwartz	1. 00
28.	"	George Helmster	1. 00
28.	"	Henry Maier	6. 00
29.	"	Fritz Vollmar	1. 00
28.	"	Fred Schwartz	1. 00
			<hr/>
			201. 26
			<hr/>
			213. 16
			<hr/>
			21. 90
			<hr/>
			235. 06

Mr. BIELASKI. Here is a translation of a copy of a letter addressed to the Imperial German Embassy by Zwiedenik, who acted after Dumba left for the Austrian Government. This simply shows that while he did not know anything about the original organization, after taking cognizance of the report sent him from the Imperial German Embassy, which originated with the military bureau in New York, of which Capt. von Papen was the head, he asked for authorization to pay the required \$2,000, and received instructions to abstain. But he says that he assumes that his Government does not intend to become unfaithful to assurances given, and he therefore transmits a check for \$750, with the request that this amount be transmitted to the Liebau Bureau. He says:

Senator OVERMAN. Let that go in the record.

BIELASKI EXHIBIT No. 120.

IMPERIAL GERMAN EMBASSY,
Washington.

ing to the number of the report cited, related first of all to the action in inducing our subjects to leave the factories in question. The idea was evidently that such action, carried on on a small scale, could have no practically important result, whereas the unavoidable indiscretions would afford the desired pretext for against the Austro-Hungarian representatives. agitation)

Nevertheless, after taking cognizance of a report sent me on January 13, last, by the Imperial German Embassy, coming from its Military Information Bureau, I asked for authorization to pay out the required \$2000, whereupon I received on February 28th the instructions: "Abstain".

Now, as I assume that my government does not intend to become unfaithful to assurances given, I nevertheless have the honor to transmit herewith a check for \$750, with the request that this amount be transmitted to the Libau Bureau, since, according to a calculation of Private Counselor Albert, this amount is due from us for employment already secured in the past. At the same time, I am writing again to Vienna and setting forth the grounds mentioned by Private Counselor Albert for authorization to add the sum of \$1250 to the aforementioned sum of \$2000 for the said Bureau.

I wish, however, to request that the Military Information Bureau be informed that I consider any payments beyond this amount to be unwarranted. According to information received by the Embassy, only a part of the Austrian and Hungarian applicants for work who were procured employment really for ammunition and arms factories and there is no sufficient reason for the presence why a general employment agency should be maintained for our subjects. Moreover, the great majority of our subjects are unskilled laborers who can be replaced at any time without difficulty. I hope that the Imperial German Embassy will not see in this attitude any failure to appreciate the idea underlying the establishment of the employment Bureau or an inadequate appreciation of the patriotic motives of the gentlemen connected therewith.

(Sgd) ZWIEDENIK,

Austro-Hungarian Chargé D'Affaires.

Mr. BIELASKI. Did I understand you to say that you thought that these reports of the consul ought to go in the record?

Capt. LESTER. Yes; some extracts ought to go in the record. I think there is one of April 10 to go in.

Senator OVERMAN. Is that a report in connection with the same bureau?

Capt. LESTER. In connection with the Libau Bureau, showing the working of it, and their objects.

Mr. BIELASKI. This one of April 10 that I have here does not relate to the bureau but relates to their efforts to get a witness, who was in a criminal case, kept from telling the truth.

Maj. HUMES. Then I think that ought to go in the record, for other reasons.

Mr. BIELASKI. It is interesting. This was a communication sent by the office of Capt. von Papen to the embassy. It has no bearing on the Libau case, but it was a case that had a great deal to do with the destruction of the Welland Canal, a second conspiracy. This is dated New York, April 10, 1916. It reads as follows:

BIELASKI EXHIBIT No. 121.

[Copy.]

Secret.]

NEW YORK, April 10, 1916.

I hereby send you the accompanying clipping from the New York American of today for your Excellency's information.

Tucker is being held by the authorities in order to confirm as a witness the charges against von der Goltz.

Tucker has so far denied everything, but there is danger that under the pressure being exerted over him he will gradually yield. It would therefore be desirable to have the man feel that we are concerned about him. It has been impossible for about eight days for us in this office to come in contact with

him. It is also impossible for the Imperial Consular General to do anything on a legal basis, as Tucker did not invoke the help of the Consulate General and the latter has no proof that Tucker is a German subject.

I leave it to your Excellency's discretion in case there are no political objections, to have the matter unofficially discussed in the State Department. Such a step would certainly afford Tucker the desired relief.

K. N. St.
(Military Information Bureau.)

His Excellency
COUNT VON BERNSTORFF
Imperial Ambassador
Washington, D. C.

Tucker was one of the men who went along on the expedition, and they were afraid that he would tell the truth about his connection with it.

Capt. LESTER. This is the particular one, dated March 14, that I had in mind.

Mr. BIELASKI (after examining paper). This was not a report of the consul.

Capt. LESTER. No; it was a report of Otto.

Mr. BIELASKI. Yes; of Otto.

Capt. Lester suggests that this letter of March 14, 1916, from Theo. Otto Von Hatzfelt, be put in the record.

Senator OVERMAN. Tell us again who Otto is.

Mr. BIELASKI. Otto, I think, is a doctor of Allentown, Pa., who undertook to keep the Germans informed of the progress of munition shipments, and so on. He made a number of reports, of which we have copies, and this is one of them.

Senator OVERMAN. Put it in the record.

Mr. BIELASKI. It reads as follows:

BIELASKI EXHIBIT No. 122.

ALLENTOWN, PA., *Mar. 14, 1916.*

Imperial Embassy Counselor VON HATZFELT.

Washington, D. C.

DEAR MR. COUNSELOR: Since Von Papen went to Germany, I have neglected no effort to keep well informed about the munition factories situated here and in this vicinity, but hitherto there has been nothing of special importance to report, that is, nothing that had not been made known to Mr. Von Papen by me. If I take the liberty today of writing to you, it is because it seems to me that the following facts may be of interest to the Imperial German Government.

As is known, The Traylor Engineering Company of Allentown, Pa., has contracts with England for the delivery of high explosive shrapnels, and up to a short time ago 3" shrapnels were delivered regularly in large quantities. For about two months shrapnels of this calibre have no longer been produced there, but, on the other hand, there are at present about 6,000 to 8,000 four inch shrapnels there in stock, while the company mentioned is making every effort to produce as perfect a six inch projectile as possible. I was informed confidentially that England wants 60,000 of these as soon as possible, but that it cannot reach an appreciable output for the time being because the machinery necessary for the purpose is not yet perfected. I succeeded in obtaining a drawing according to which the work is done; if it is of interest please inform me and I will promptly send it to you. I also have a specimen of a three inch shrapnel which I will gladly furnish to the Imperial Embassy if wanted.

I was able, in my capacity as a physician, to establish relations with officials of almost all of the munitions factories situated in this vicinity, and if further information of this kind should be of interest to the Embassy, please inform me, as you gentlemen may depend me as well as upon yourselves.

I recently had an interview with a gentleman friend in regard to the dye calamity, and this gentleman, who has been engaged in this industry for

years, told me that the United States was suffering very much from this calamity. Our conversation drifted to the military preparedness of the United States and I heard that a relative of this gentleman held a position in which he was able to give information in this regard. Perhaps it might be opportune to follow out this clew further.

With assurances of my loyalty and devotion, I remain, etc.,

(Signed) THEO OTTO.

Maj. HUMES. Have any proceedings been taken against Mr. Otto?

Mr. BIELASKI. No proceedings were taken, because that was during the period of our neutrality. We did not know of any particular way that it could be done. He was kept very closely under observation, however, from that time on and during the war.

Maj. HUMES. Is he a citizen?

Mr. BIELASKI. I think he is a citizen. I am quite sure he is. Otherwise, he would have been interned. He was not.

Here is another report from Consul Otto about the Hans Liebau Bureau, which I think ought to go in the record.

Senator OVERMAN. Put it in.

(The paper referred to is here printed in full in the record, as follows:)

BIELASKI EXHIBIT No. 123.

NEW YORK, March 20, 1916.

I take the liberty of answering as follows the letter of Baron von Zwiedenik, Austro-Hungarian Chargé D'Affaires, under date of March 4th, 1916:

In a conversation participated in by the Austro-Hungarian Attaché, the Prince zu Hohenlohe, Mr. von Papen, Captain Hecker, Doctor von Klenwaechter, and the undersigned, the Prince as representative of the Austro-Hungarian Embassy, stated that the Austro-Hungarian government would support the undertaking in the same way as the German Government.

His Excellency the Austro-Hungarian Ambassador, Doctor Dumba, also informed us through the Austro-Hungarian Consulate in New York that he, the Austro-Hungarian Ambassador, was willing if necessary, to pledge himself personally up to \$100,000 for the maintenance of the Employment Bureau. His Excellency personally assured me of his assistance shortly before his departure.

The employment Bureau, during an activity of 6½ months up to the end of February 1916, received over 8000 applications, of which 4774 were new applications, a total of 4466 positions having been supplied; of these about one-third were subjects of the Austro-Hungarian monarchy, Sixty per cent. of all applications were from persons coming from munition and war material industries, and the remaining forty per cent. would also have been driven into the war industry had it not been for the propaganda for workmen's assistance. Engineers and the better class of persons had as a result of the propaganda, left the factories of their own accord and, without asking for assistance, they sought and found employment elsewhere; we know of such cases. If we had, by agitation and speeches, gotten the unskilled laborers in masses out of the factories the government would without doubt have proceeded penally against the Bureau and its activities would have ceased. Moreover, the result would have been that laborers would have been convinced that the activity of the employment agency was illegal and they would have calmly remained in their positions, whereas they are now gradually leaving them. Overhaste would only have hindered us and any indiscretion had to be avoided.

In spite of many endeavors the Department of Justice has not succeeded in finding any pretext against the Liebau Bureau. The Bureau keeps absolutely within its scope of the laws of this country. It looks after persons who do wish to work in the war material factories. The statistics of the Bureau prove that more and more applicants are appearing as the organization gains greater publicity.

The underlying idea of the Bureau has materialized to the extent that at the present time inquiries for laborers are frequently received from manufacturers of war materials because technical laborers are scarcely to be had in commercial employment agencies. Thus, for instance, the Simplex Automobile

Company, which has a contract for aeroplane motors from the French government, tried to obtain workmen under the best of conditions, but it was of course rejected. It is generally recognized among employers that Hungarians are reliable workmen who only too gladly accept employment even as unskilled laborers to operate dies, as machine assistances for packing, etc.

Another effect of the employment agency has been to arouse the patriotic zeal and loyalty of the workmen for their native country, for they notice that they have not been forgotten. A proof of this is found in the fact that persons are continually visiting the central and branch offices in order to offer thanks for having been assisted.

I wish further to remark that the result from a political standpoint has been very favorable, but I wish to express myself on this point only personally and orally; these results are known to Mr. von Papen.

If it is taken into consideration that the allied government have thus far contributed only \$8600 to help the laborers it must be admitted that it has been one of the best establishments in this country if we compare the result accomplished by the propaganda to this sum.

It would also be of the greatest importance for the allied governments to pledge their financial help also in the future; an abandonment of the Bureau would make a very bad impression on all parties concerned and have a very disadvantageous effect.

Furthermore, in case the Bureau continues after the war the records gathered will form very valuable statistics. Let us suppose that the country were to need additional hands in one or another Home industry. It would be an easy matter to find available material with the aid of the records. This organization would represent a bond of union between the old and new home of the subjects employed in technical enterprises in America.

(Sgd.) K.—OTTO.

Mr. BIELASKI. There are a great many other documents here, also reports of the German Government and the reports of consuls, and so on, but they contain nothing of much particular interest.

Senator STERLING. In the first letter that you read, I think it was from Bernstorff in regard to the Libau Bureau, reference was made to seeing German workmen personally.

Mr. BIELASKI. Yes; orally.

Senator STERLING. Yes.

Mr. BIELASKI. Yes, sir.

Senator STERLING. Have you any evidence of activity along that line?

Mr. BIELASKI. The consuls reported back from various districts to von Bernstorff, as reported in the circular. Many of them said—in a number of cases, at least—that the Germans had already been fired from those places, because they did not trust them, and there were not a great many of them left in positions of importance who could be approached. Von Papen was, of course, especially interested in that latter matter, and he corresponded directly with the consuls. He sent a circular out under date of July 21, about the subject.

Senator STERLING. What was the purport of that?

Mr. BIELASKI. He said:

BIELASKI EXHIBIT No. 124.

I most respectfully request in relation to the proclamation of the Imperial German Embassy of June 19, J. No. A-3805, that information be sent to me as soon as possible as to the extent to which German subjects are employed in arms and munition factories in respective consular districts, in order that for the present a general view may be had of the existing situation.

In view of the extraordinary rapid growth of this branch of industry, and of the momentous significance which this constantly increasing production and the new plants ever springing up, has for the outcome of the present war, I would be extraordinarily interested in receiving further reports as to the

success attained in the steps taken in the sense of proclamation. In connection herewith I respectfully remark that according to reports received from the consular district in which the Allis-Chalmers Manufacturing Co. of Milwaukee, Wis., is located, a large number of Germans are to be found on the board of directors as well as among the leading engineers, and I would be especially thankful for a report as to whether this information is founded upon facts, and whether there is any indication, as rumored, that the Allis-Chalmers is to be bought by the Bethlehem Steel Co.

Bernstorff put the whole situation up to Bethmann-Hollweg on August 7, 1915, and asked him what he should do, in a long letter, and in an answer dated November 12, 1915, the Chancellor outlined the attitude which he desired taken. It was a sort of a straddle as to whether they should all leave or not. The question to be determined was the same one which was raised, he says, in the Bosch Magneto case, where Heins, the manager of the concern, admitted taking orders from Great Britain for the purpose of delaying and retarding the aircraft program, and which developed the scrap between von Papen's office and Boy-Ed's office as to whether Heins should not be really punished under the German law. Bethmann-Hollweg approved of the stand taken by Albert in that case, saying that where the intention of the man was to injure the cause of the Allies, the fact that he furnished them some material was not a violation of their code.

Senator STERLING. That the retarding of the work would more than offset it?

Mr. BIELASKI. Yes; he thought that by his withholding work he had put back the British program some months.

Copies of these communications, translations of them, between Bernstorff and Bethmann-Hollweg can be put in the record if you wish. They are several pages long.

Senator OVERMAN. Put them in.

Mr. BIELASKI. There is one which appears in this file which is possibly of interest which I did not read. That is a cipher dispatch which was sent to Von Papen by the German consul at St. Louis, Mo., under date of June 19, 1915. Its translation is that—

BIELASKI EXHIBIT No. 125.

Two agents of the Organized Brotherhood of Metal Workers, 34 Park Street, New York City, named Sam Scarlett and J. U. Kelly, expelled from the organization by the president, Charles Heyde, have informed me that said organization has begun a movement, the object of which is to effect the stoppage of shipments of munitions of war. Meetings are soon to be held, especially at Alton, Ill., and afterward other steps taken.

Regarding the information from Privy Councillor Meyer Gerhard, I must not fail to acquaint you with the foregoing, and ask your advice as to whether I should, as requested by the above-named persons, advance \$40 expenses as requested by them, through a confidential person.

It is my recollection that one of those men was convicted as an I. W. W.

Senator KING. Scarlett was secretary of a local organization in my own State at one time of the I. W. W.

Mr. BIELASKI. It shows a direct connection between the I. W. W. and the military attaché's office.

Maj. HUMES. Scarlett was an organizer for the I. W. W., was he not?

Mr. BIELASKI. Yes.

Senator OVERMAN. Was he connected with Boy-Ed?

Mr. BIELASKI. He was mentioned in this communication from the consul at St. Louis to Von Papen, the military attaché.

Senator OVERMAN. All right.

Mr. BIELASKI. And I think \$40 was afterwards sent out there, or he was authorized to advance it, although I do not see that before me.

(The letters last referred to are here printed in the record as follows:)

BIELASKI EXHIBIT No. 126.

Imperial Germany Embassy, J. No. A. 3805.
Strictly confidential!

CEDARHURST, N. Y., *June 1, 1915.*

It is asserted from many sources that in the industries in the United States which have turned to the delivery of war material, many German subjects occupy leading positions. According to the directions received by me from the Imperial Chancellor, these subjects are to be notified that their employment in such industries is contrary to the duty which they owe their Fatherland, as the said local industries work exclusively for the enemies of Germany. In this connection, special attention is called to Paragraph 89 of the Imperial Penal Code. Attention must be called to an annotation upon this paragraph, which says: "The (criminal) intent lies in the knowledge that aid is given to the enemy Power, or hindrance to the German or its allied Powers. The corresponding *intention* is not necessary to be shown. See Goldt A. 19396, but especially Schwartz, Treason to the Nation and Treason to the Military Forces '897), 39 ff. AA John Holtzand, Handb. 352."

I therefore request your Honor to determine what persons in your Consular District come within this category, and then to get into communication *personally* and *orally* with such persons in your district as

1. are beyond any doubt German subjects.
2. are employed in positions above that of common laborer, such as foremen, superintendents, engineers, etc., in industries engaged in the production of war material. (Factories for making arms and munitions, or those which produce parts of the same, powder and other explosives, as well as benzol refining plants, automobile and aviation machine works engaged in the export business, farms which sell horses and mules for export, as well as submarine wharfs, are especially included therein.)

Such persons must vigorously be taught their duty toward their country. The fact must also be brought to their attention that this self-understood duty does not give them the right, after giving up said employment, to demand of the Empire that they be given other equally profitable employment, or the continuance of their previous pay. I will remark confidentially, however, that in individual cases, after careful investigation, the question of giving assistance will be considered, where it is absolutely necessary. This assistance, however, must be limited to the minimum figure, and it must also be expected that the person concerned shall leave no means untried to secure employment himself. In handling this matter, however, everything should be done to avoid embittering the persons in question in a way to lead them to expose the whole affair and cause hostile publicity.

In cases wherein doubts may arise as to whether the products of a certain plant shall be regarded as war material, or whether the plant is delivering to our enemies, I request that the Herr Military Attache be communicated with, at the following address: Care of German Consulate-General, 11 Broadway, New York City.

I also request that you send your reports to the same address as to the steps taken by you in this matter.

(Signed) THE IMPERIAL AMBASSADOR
BERNSTORFF.

To the Imperial Consular Authorities in New York, Philadelphia, Cincinnati, St. Louis, San Francisco and Chicago.

Mr. BIELASKI. On August 7, 1915, Von Bernstorff wrote the following letter to Von Bethmann-Mollweg, German Imperial Chancellor:

BIELASKI EXHIBIT No. 127.

VON BERNSTORFF TO VON BETHMANN-HOLLWEG.

Imperial German Embassy No. A 237
1 inclosure

CEDARHURST, N. Y., *Aug. 7/15.*

Doubt has recently arisen concerning the full scope of Paragraph 89 of the Imperial Criminal Code Book as well as of the Supplementary Decisions pro-

promulgated since the beginning of the war. A number of American firms operated either entirely or partially with German capital, managed by German subjects and now in doubt as to the admissibility of deliveries abroad as well as in the United States, have applied to the Embassy or to the Consulate-General for advice.

In answering the questions, the Imperial Consulate-General as shown in the inclosed copy of the communication of July 29, takes the stand that business and deliveries of goods from under Paragraph 89 where the slightest possibility exists that, directly or indirectly, whether in a military political or economic sense, they may be of use to the enemy power or persons with whom we are connected. This stand-point has the advantage of offering a simple and lucid solution of the question so far as, in view of the present material and personal connection of American industry and that of our enemies, it makes practically all deliveries of any sort of goods impossible even when deliveries are made to American firms. The question is as to whether this application of legal decisions correctly represents them in fact and meaning. It would be tantamount to a complete shutting down of the industries in question.

I do not believe I should cease making continual representations in this matter, as the question very closely concerns the work which is being done by the various members of the Embassy as well as by Privy Councillor Albert toward hindering or limiting the exportation of war material from the United States to our opponents. In the course of this work we have in various ways had our attention drawn directly to such firms. The latter proceed upon the assumption that the approval of deliveries in individual cases by the Imperial Representatives precludes liability to prosecution, because thereby the consciousness of criminality, or of delivery intent is abolished.

In view of the importance of the question and assuming that the home authorities have had occasion to deal with it, may I most respectfully ask your Excellency to kindly advise me how the decision upon Paragraph 89 and the Supplementary decisions are to be interpreted; whether a permit in isolated cases precludes liability to prosecution, and, if so, what grounds should govern the issuance of a permit. If the approval of the Imperial Agents abroad does not bar prosecution, or the giving of approval in special and exceptional cases is not regarded with favor, it would nevertheless appear to me to be desirable to receive instructions as to how the legal decisions are to be construed in order to know how to answer correctly the numerous inquiries received by myself and the Consulate-General and to work out a uniform plan of procedure.

Paragraph 89 of the Imperial Criminal Code described it as an act of treason for a German purposely, during war, to give aid to the enemy power or work to disadvantage to the military forces. Similarly, the decision promulgated in the Fall of 1914 provides a penalty for those who knowingly violate a German embargo by exporting goods directly or indirectly to the Enemy Country. The text of this late decision is not at hand in authentic form.

When in the first place I regard the deliveries in question in the light of Paragraph 89 of the Imperial Criminal Code, I would assume, in view of the history and text of said paragraph, that the penalties attach not simply to aid including intermediate, deliveries which may be redound to the benefit of the enemy country. The conception of the giving of aid as well as the infliction of injury, is brought into connection with the enemy power and respectively with the military forces of the German empire, etc., and therefore may be limited to acts which are helpful or detrimental to the *military* operations as the case may be. The provisions of Paragraph 89 were not intended to apply to an economic war, as it is now conducted. If all deliveries of goods came unconditionally under the purview of Paragraph 89 it would not have been necessary to provide a new penalty for a knowing violation of the embargo rules.

If this interpretation is correct, it resolves itself, according to my view so far as it concerns the delivery to our opponents, into an investigation of the questions as to whether materials involved, the delivery which aids the *military* operations of our opponents. Under the new decision, this would apply, in the German export embargo. On the other hand, the delivery of other goods would have excelled the free of penalty.

Further difficulties attend the interpretation if the decisions as to penalty are held to apply to deliveries which are not bad to our enemies, which exclusively to American firms within the territory of the United States. Even if the class of goods, about the sense of the foregoing interpretation, it is still an open question as to the extent to which a delivery is to be regarded as an *interme-*

diate delivery to our enemies. The connection is established without further adieu if the goods are desired to be exported, or when it is a matter of delivery to American manufactories in which war material for the Allies is made. Doubts arise, however, in cases wherein goods are delivered to American factories which produce war material, partly for the Allies and partly for domestic use, and it cannot be determined to a certainty for which part of the production the goods delivered by a German are to be used. But even when the fact has been established that the goods delivered to the Americans are applied only to domestic use, the further question arises as to whether, through the support in production of goods for domestic use the American factories are not strengthened in their capacity for the production of war material for the Allies.

Under the existing circumstances attending the distribution of labor here, whereby factories employed on war materials, repeatedly, in taking orders from our enemies, transfer their former productions of material for domestic use to other factories in order thereby to increase their productive capacity, a wide interpretation of the penalties leads to the conclusion that every delivery in the United States contributes also indirectly to the advantage of our enemies, because in that manner the drawing of American products into the service of the Allies, which is taking place increasingly on all sides, is indirectly furthered.

For the above-mentioned reasons it appears to me necessary that there be a limitation in the range of the penalties. If such limitation cannot be based upon the nature of the wares involved, the only means left is an examination into individual cases. Such examination will yield results variously according to the special features of the situation. A delivery of wares which in itself is admissible may through the temporal (?) volume of the delivery and the size of the order lead to an indirect aid. On the other hand, even the delivery of small quantities of war material to our enemies may be expedient and free of penalty. I have a special report (words "in cipher" erased) on a case of this kind. Consideration may also be given to the question as to whether the goods can be delivered demonstrably in equal quantity, value and time, from another source.

There may be no doubt, and I quite agree with the argument of the Consul-General, that individual private interests have no claim for consideration. Like every German subject, the German subject in foreign lands has to bear his share of the general sacrifice. A damage to the operation of his plant, even if it should lead to complete stoppage, could not, if a sensible interpretation of the law were necessary, be given any consideration.

The only question is as to how far the general interests may lead to a consideration of private interests. England systematically wages an economic war upon Germany to appropriate her foreign trade already during the war. Is it desirable to encourage this effort through a too rigorous interpretation of the legal decisions, or can a way be found to make it possible for Germans domiciled in foreign countries to maintain their plants, especially as thereby sources of income for Germany arise which, taken altogether, may prove to be of importance to the efficiency of Germany and to her economic staying-power? The matter of foreign exchange can be left out of the question here, as the natural factors which influenced the market values have gone out of course, and the deliveries herein considered could have no effect upon the value of the mark.

In the interests of what I deemed the necessary uniformity in handling the decisions, I have requested the consulate-general to keep in touch with me in the future, have reports accessible to me and send me copies of past reports as well. If, after looking into the matter, I deem it necessary to issue a supplemental statement, I will most respectfully reserve the same for a further report.

(Signed) BERNSTORFF.

To his Excellency
The Imperial Chancellor
Herr von Bethmann-Hollweg.

A carbon copy of the following communication of Zimmermann, the German Minister of Foreign Affairs, to Von Bernstorff was, under date of October 7, 1915, forwarded to Von Papen by Haniel, of the German Embassy at Washington:

BIELASKI EXHIBIT No. 128.

THE GERMAN MINISTER OF FOREIGN AFFAIRS TO VON BERNSTORFF.

(Copy.)

BERLIN, Sept. 12, 1915.

In dealing with the question of the permissibility of deliveries through German firms or German subjects in the United States of America to our enemies your Excellency takes the stand that the Imperial representatives are in duty bound give to interested parties, upon inquiry, authoritative answers concerning the range of concomitant legal decisions, especially with regard to Paragraph 89 of the criminal code, and that the declaration of agreement made by an Imperial official excludes culpability of the person making the delivery. Neither assumption holds good. The question as to whether a business is liable to penalty under Paragraph 89 is a matter to be decided exclusively by the court having jurisdiction in the case. The "approval" of an administrative authority is devoid of significance, and, above all, has not the effect of absolving the person advised from his responsibility to the criminal judge.

In this matter it is also not feasible to accede to the request of your excellency to be provided with instructions relative to the interpretation of the legal decisions. There has been too little adjudication under Paragraph 89 of the Criminal Code to admit of the promulgation of general rules governing its interpretation; on the other hand, your information, based upon this or that commentary would not be regarded as possessing any protective significance for any of those seeking advice.

Relative to inquiries pertaining thereto, the fundamental stand is taken here that German firms, including those in foreign countries, must discontinue all business which may contribute to the resources of the enemy, and give the enemies aid even indirectly. Whether this presumption applies in the individual case, or whether it is a case involving completely neutral business that is undoubtedly of no consequence to the prosecution of the war, is a matter that can be looked into only in the rarest instances by the official who has been asked for advice, and he will therefore be obliged to withhold a permit. (Per cited note on margin evidently written by Von Papen says: "I think this is a matter for the courts to decide?") The principle enunciated by High Privy Councillor Albert, that an unlawful transaction is not shown when in the event of default in delivery by German firm, the enemy state would get it from another firm, can it be regarded as decisive.

The business transactions referred to of the Bosch Magneto Co. and Orstein & Koppel give cause for considerable concern. There should really be no difference between the delivery of arms and munition and the delivery of parts of aviation apparatus and military automobiles, of railroad rails, steel beams and cars. With regard to both firms, who were orally represented in the case here, it is held that no administrative authority or agents of the same are authorized to determine the permissibility of their transactions, and that their approval would not protect said firms from the possible consequences of an unlawful business deal.

Secretary of State for the Interior to whom the case of the Bosch Magneto Co. was reported from here, has announced that he cannot share the view held by Herr Albert and that it is not in conformity with the practice following in the Imperial Department of the Interior; and that the fact concerning the business methods of the firm have been referred to the Imperial Department of Justice for further action.

The utmost caution would be advisable in the giving of advice, upon practical as well as ethical grounds. The exportation of arms and munitions from the Union has caused such a high degree of bitterness in Germany against the United States that every effort is required to prevent a general and far-reaching boycott movement. There is therefore reason to fear that the heightened feeling of patriotism will lead, through appearances such as that under discussion to undesirable criticism of the attitude of our officials who are located abroad.

Under these circumstances, may I request your Excellency to adopt the following view: It may become necessary to impart information to the public. As I am not in a position to lay down a uniform line of procedure of the Imperial Embassy, a General is necessary in this matter, I have accordingly referred the matter through Herr Hossenfelder for consideration. In handling economic questions both offices will be able to give results may be hoped for therefrom, especially in the case of a powerful aid who, by reason of technical training

intimate knowledge of American industries, numerous connections, long experience and tried, sober and practical judgment seems just now to be especially qualified to cooperate in dealing with economic questions, and who cannot be replaced by Herr Albert, who naturally is lacking in experience and in the necessary knowledge of conditions in America, which are not simple.

(Signed) ZIMMERMANN.

To Count von BERNSTORFF, Excellency,
Washington.

Senator OVERMAN. Was Otto engaged in furnishing supplies to the German Government?

Mr. BIELASKI. Furnishing information.

Senator OVERMAN. Information?

Mr. BIELASKI. Information of supplies being furnished to the allied governments.

Senator OVERMAN. Not to the Germans?

Mr. BIELASKI. Not to the Germans; no, sir. The Staats-Zeitung, of New York City, was used to present the German viewpoint of war matters to German readers who read the German language.

I find here a letter on this letterhead addressed to Capt. von Papen, signed by Bernard H. Ridder, its editor. This letter and reply read as follows:

BIELASKI EXHIBIT No. 129.

[New Yorker Staats-Zeitung The Great German Medium Established in 1834. 182 William Street, corner Spruce Street, New York City.]

JUNE 21, 1915.

Captain von PAPEN,

c/o G. Amsinck & Co., 6 Hanover Street, New York City.

MY DEAR CAPTAIN: The party that I sent out West has enlisted the services of some rich Chicago friends and will continue the propaganda which we have started. They are sending out several men in the Far West for the purpose of combining strength for the man they are interested in. We have nothing to do with that matter, financially or otherwise. I advanced him \$200.00 which he has used for the purpose as outlined to you. We have furthermore spent \$295.00 in Greater New York among the labor element and in sending the man to Boston on Friday. This campaign is now finished so far as we are concerned, and, personally, I believe the money used for it has been particularly well spent. The Staats-Zeitung advanced this \$495.00 as explained by me to you.

The fund of \$9,000.00 which has been subscribed for agitation among the labor parties has been increased by \$4,000.00 more. Labor meetings will be held throughout the West this week and next week. I feel sure that the cause of peace has been very much advanced during the last ten days.

Very truly yours,

BERNARD H. RIDDER.

BIELASKI EXHIBIT No. 130.

NEW YORK, July 1, 1915.

MY DEAR MR. RIDDER: In reply to your favor of June 21st, and in pursuit of our recent conversation I beg to state that to my great regret I am for various reasons absolutely unable to refund to you any money that served political purposes.

Acknowledging very heartily everything you have done for our common great cause, I consider it imperative that the representatives of the Imperial German Government keep entirely out of the domestic politics of the United States of America.

Very sincerely yours,

IMPERIAL GERMAN MILITARY ATTACHÉ.

BERNARD H. RIDDER, Esq.,
New York City.

Senator KING. Is the Staats-Zeitung still being published?

Mr. BIELASKI. Yes, sir. It reads like that was written for publication; but in any event, Mr. Albert writes on July 6, five days later, to Capt. von Papen, as follows:

BIELASKI EXHIBIT No. 131.

NEW YORK, *July 6, 1915.*

Hon. HERR VON PAPEN: With reference to the enclosed correspondence with Mr. Bernard H. Ridder I am sending you enclosed a cashier's check of the Equitable Trust Co. for \$495.00 with the request for a receipt.

Very truly yours,

H. F. ALBERT.

Under date of New York, July 8, 1915, there is a receipt for \$495, signed W. Van Leyen. The Albert letter seems to be an original document.

Senator NELSON. That first letter of Ridder's which you read would seem to indicate that they were mixing up in a political campaign somewhere in the West, would it not?

Mr. BIELASKI. Yes.

Senator NELSON. Have you any idea what it was?

Mr. BIELASKI. That was in June, 1915. June, 1915, was the time when the agitation among the labor organizations was at its height. Franz von Rintelen and Labor's National Peace Council were very active at that time. The American Embargo Conference, which was a political agitation, was also beginning to be active. I do not know just exactly what Mr. Ridder had reference to.

Senator NELSON. I did not know but that it referred to some particular man.

Mr. BIELASKI. It does not appear from the letter, at all.

Senator NELSON. Or from anything else you have?

Mr. BIELASKI. No, sir.

Senator KING. It refers to meetings of labor organizations, and I gather from a perusal of it and your reading of it that it referred to some labor campaign that was being carried on.

Mr. BIELASKI. Yes; it may be. It might, of course, relate to a campaign whereby Congressman Buchanan would be elected president of the American Federation of Labor, but I do not know, at all, that that was it.

Capt. Boy-Ed was rather frequently in correspondence with the Staats-Zeitung with respect to the matters it was printing, commenting on what had been written and making suggestions as to what should be written, and so on. There are a number of these letters. I do not know whether you care to have them read into the record or not. There is one which, I think, is especially interesting.

Senator KING. As I understand, Mr. Chairman, the plan with respect to these documents, letters, and various memoranda submitted by the witness, or by other witnesses, where they are not read into the record, but perhaps a portion of them should go into the record, that Maj. Humes is to go over them very carefully and determine what, in his judgment, is relevant and material, and then submit that matter to the chairman, and the chairman is to pass upon the question and put into the record what he deems relevant and material, so that it shall not be left to any witness or to Maj. Humes to be the determinators of what shall go into this record?

Senator OVERMAN. I think that is understood.

Senator STERLING. Except, I suppose, as the chairman may direct that any particular matter may go into the record at the time it is presented.

Senator KING. Certainly.

Senator STERLING. There have been instances of that kind.

Senator KING. Yes. I had reference to those cases where we deferred action.

Senator STERLING. Yes.

Mr. BIELASKI. There are a great many of these letters. I am trying to find one in which he even goes so far as to tell the editor of the *Staats-Zeitung* that his editorials should be made shorter, and should be printed in larger type, and so on.

Senator STERLING. Just going back to the last few letters that you read, the one written to the editor of the *Staats-Zeitung*, and then with reference to the payment to him by Dr. Albert: My interpretation of that was this, that the first letter, in which they refused to contribute anything for political purposes, was written for a record, and for the purpose of making a record, and that Dr. Albert received his instructions to make payment of that \$495 to the *Staats-Zeitung*?

Mr. BIELASKI. The amount was paid.

Senator STERLING. The amount was paid?

Mr. BIELASKI. Yes.

Capt. Frantz Rintelen, about whom a great deal has naturally come to your attention and the attention of the public because of the prosecutions in which he has been involved, came over to this country, I think, in April, 1915, for two or three purposes. One was to prevent the exportation of munitions to the allied governments, and the second was to bring about the shipment into Germany of supplies which she needed. He was a member of a very prominent family in Germany, a young banker, probably as prominent a young banker as any man in Germany, and a captain on the staff—I think a reserve captain of the navy—under Admiral von Tirpitz.

Senator NELSON. And he came here as the representative of the German Government?

Mr. BIELASKI. He came here as the representative of the German Government. He was involved in the placing of fire bombs on vessels carrying supplies to the allies, for which he has been convicted.

He was involved in an effort to get an American passport fraudulently for his own use, for which I think he has been indicted, and he was involved in what was known as Labor's National Peace Council, a movement intended to interfere with the activities of the allies in the shipment of munitions of war, to be used in part to handicap them in their efforts to get a loan in this country, and to be useful in peace propaganda as well.

Rintelen, through Prof. Hall, who was mentioned Saturday, and I think was an exchange professor in Germany, and who, as Mr. O'Brien stated, was decorated by the Kaiser, gave to Rintelen the name of David Lamar as a man especially familiar with conditions over here, and who could be of help to him.

David Lamar was the notorious man known as the wolf of Wall Street, who was convicted and served his sentence for having impersonated a Congressman some years ago.

Senator NELSON. That was the Present Alien Property Custodian A. Mitchell Palmer?

Mr. BIELASKI. Congressman A. Mitchell Palmer; yes.

Senator NELSON. Was there not a man by the name of Martin who was a sort of assistant to him.

Mr. BIELASKI. Mr. Martin was Mr. Lamar's man Friday.

Senator NELSON. Yes; he was his man Friday.

Mr. BIELASKI. He was also convicted. He was associated with Mr. Lamar in numerous ventures before the Labor's Peace Council.

Senator NELSON. I am sorry to say that many years ago he was a resident of Minneapolis.

Senator OVERMAN. Martin was connected with the Antitrust League?

Mr. BIELASKI. Yes.

Senator NELSON. They were the whole league?

Mr. BIELASKI. Yes; Lamar was the power behind the throne in the league, also.

Lamar, through Martin and Schultheis—just to sketch briefly what he did, because the facts have already been brought out fully in the public trials—got in touch with labor organizations and got them to adopt resolutions favorable to Labor's National Peace Council, to send delegates to conventions, and financed them all, paid the expenses from money which Martin got from Lamar, and which Lamar got from Rintelen.

It is believed that Lamar got approximately \$500,000 from Rintelen. He spent very little of it for Rintelen's purposes. Most of it he kept himself. He made a practice of taking credit for anything that would happen in the way of agitation which was favorable to Germany.

I think there was a mass meeting of some kind held up in Jersey. I think it was, in which Secretary of State Bryan spoke, and Lamar took credit for that. It happened, however, that the facts as to the other people who were interested in promoting the meeting came to the attention of Rintelen and made him somewhat suspicious. I think probably for the first time, of Lamar's activities.

Senator NELSON. He got \$500,000 from von Rintelen?

Mr. BIELASKI. Approximately that, we think.

Senator OVERMAN. They are all in the penitentiary now, are they not?

Mr. BIELASKI. No; the case has not been decided on appeal yet.

Senator NELSON. He graduated in that other case?

Mr. BIELASKI. Oh, yes; he has served his time in the other case, and he will be at home when the case is decided on appeal.

Congressman Buchanan was at that time indicted, in that case, but the jury disagreed as to him.

Senator NELSON. As to whom?

Mr. BIELASKI. As to Frank Buchanan. Frank Buchanan was the first president of Labor's National Peace Council.

I wanted to give you something of the organization. Rintelen was connected with Scheele, a chemist, and financed him in the making of these fire bombs.

Senator NELSON. That were put on the ships?

Mr. BIELASKI. Yes. He was a man who had been working for Von Papen, and was loaned to Von Rintelen by Von Papen for use in this particular plot.

Senator NELSON. And those bombs were manufactured on these interned German vessels, were they not?

Mr. BIELASKI. Yes; that is, the containers were manufactured on the *Vaterland*, I think; then they were taken to Scheele's place and loaded.

Senator OVERMAN. What became of Scheele?

Mr. O'BRIAN. He is in custody at the present time; in custody of the Federal officials at the present time.

Mr. BIELASKI. He was indicted. He is under indictment.

Senator NELSON. Is Scheele interned, or is he out on bail?

Mr. BIELASKI. He is neither, Senator. He is in custody, in a perfectly safe place; and I think what he is doing and has done will be satisfactory to the committee.

Rintelen, apparently, got in touch with Lamar in April, 1915.

Senator NELSON. How long did he continue in touch with him?

Mr. BIELASKI. He continued in touch with him until Rintelen sailed, about the 4th or 5th or 6th of August.

The personnel of this organization, as shown by this very excellent résumé which the Military Intelligence Office prepared, was Rintelen, Lamar, Martin, and Schultheis. Schultheis was an assistant of Martin's and also connected with this antitrust organization of Lamar's here.

Senator NELSON. Was he convicted?

Mr. BIELASKI. I do not think Schultheis was.

Mr. O'BRIAN. The jury disagreed as to Schultheis.

Mr. BIELASKI. Mr. Buchanan and Mr. Fowler, who was a former Member of Congress, and other lesser lights among the labor organizations were also connected with this.

Martin sent a few men around the country prompting the labor organizations to adopt resolutions; and they had their first meeting, I think, in Washington in May, 1915.

They then had a further meeting here in Washington, June 21 and 22, at the St. James Hotel, where they organized, Buchanan being elected president.

The following resolutions were adopted, which give some idea of their purposes:

BIELASKI EXHIBIT No. 131½.

Whereas the purpose of this call is to crystallize the prevailing sentiment for peace, and

Whereas the American Federation of Labor favors peace, but can not take action,

Resolved by the representatives of labor in peace congress assembled, That an organization be established having for its purpose the establishment and maintenance of peace universal; that the officers of Labor's National Peace Council consist of a president, etc., such officers to act in conducting the further business of Labor's National Peace Council.

Resolved, That Labor's National Peace Council recommends to the President of the United States that the policy of President Washington prohibiting the shipment and sale of munitions be followed by a proclamation prohibiting the sale and shipment to belligerent nations of munitions as well as of all materials used in the production of the same.

At this time Buchanan, as you will recall, made an effort to see the President, and was unsuccessful, and it resulted in his letter to the President, which was made public, and brought special attention to his activities.

This organization, like a great many other things, never accomplished anything of consequence for the German Government.

The failure was in great measure due to the wisdom and action of the president, Mr. Samuel Gompers, of the American Federation of Labor at that time. He absolutely refused to give the movement any support, and his attitude prevented its having any possible success in organized labor.

The organization made particular efforts to get in touch with the farmers' organizations, to bring them into the movement also. But of course, when Rintelen was forced to get out of the country, he leaving in August, the support dropped out; Lamar put up no more money, and the thing petered out.

Senator OVERMAN. Have you any evidence there showing the activities of these agents among the colored people of the South?

Mr. BIELASKI. I have not any here, Senator. We have had a large number of investigations of that sort of thing, finding, in a few instances, the circulation of appeals among the negroes intended to influence them in favor of Germany, but we have not been able to connect those things with any official German source. There were all sorts of stories started among the negroes, of various kinds, to the effect that there was no hanging in Germany, for one thing, and that they would be given each a piece of land over here if Germany was victorious.

Senator OVERMAN. Forty acres and a mule?

Mr. BIELASKI. And other things of that sort. One piece of propaganda that was interesting was that they were rightfully really the original owners of this land, that they were the descendants of the Indians, and that the country rightfully belonged to them, and that the white people were wrongly in possession of it. Also that England had sided with the South during the Civil War, because she wanted to keep the negroes in slavery, and that therefore the negroes should be opposed to England at this time.

There were all sorts of stories of that kind, but they were never brought home to any official German source.

Senator OVERMAN. I remember receiving some letters from my State that there were organizations and meetings held there by colored people in certain parts of the State with respect to this matter.

Maj. HUMES. It is my understanding that there have been a great many precautions by the Department of Justice and under the espionage act for individual offenses in connection with this propaganda among the colored people, Mr. Bielaski?

Mr. BIELASKI. I suppose so. I do not know how many there have been, but there have been a great number of prosecutions; I do not know just how many of them were for statements of that kind. Some of them were.

Senator OVERMAN. I want to say that they did not take with the negroes. The negroes have been very loyal.

Mr. BIELASKI. That is true.

Just for the information of the committee the Printers' and Publishers' Association, Inc., was an effort made, headed by Dr.

Hugo Schweitzer, a German, and Max W. Stoehr, Emil Kipper, and Henry Weisman, to get a newspaper which would be a factor in influencing public opinion. It was to be organized openly. "Get your own real American newspaper" was the heading of their prospectus. It provided for the raising of \$2,000,000 for the purpose of buying a paper. I do not think it ever got anywhere. The German consul was very much opposed to it. He gave his reason, after commending all the men, by stating that there was no possibility of a paper having those men connected with it being known as anything other than a German paper, and that it could not be a factor in influencing public opinion.

Mr. O'Brian suggests that we might emphasize who these men were a little bit. Dr. Hugo Schweitzer was a very capable chemist, connected with the Bayer Chemical Co.

According to testimony which we have from other German agents, he was for years a German agent in this country for the purpose of reporting back to Germany chemical discoveries for their use over there.

He was mixed up in a number of transactions which we have told you something about; for instance, in connection with the German classics, he was the intermediary in handling the money there and occupied a very prominent position in New York.

Emil Kipper, for instance, is now under indictment for treason for having assisted known German agents during the time we were at war in this country.

He received communications for them, it is alleged in the charges against him, paid money to them, and so on, those agents being the two that are also under indictment in New York State.

Max W. Stoehr was connected with the Woolen Co., the companies which I think the Alien Property Custodian has taken charge of.

Senator OVERMAN. Who is Weismann?

Mr. BIELASKI. I think Henry Weismann is a lawyer in New York City, who is an American citizen.

Capt. LESTER. He is president of the German-American Alliance.

Mr. BIELASKI. Yes; he is an American citizen, however.

Senator STERLING. You mean to say he is now president?

Capt. LESTER. He is the president of the State German-American Alliance, and also was active with Jeremiah O'Leary in the Friends of Peace Society.

Mr. BIELASKI. Dr. Albert's office, in addition to his propaganda work, was engaged in very large numbers of commercial enterprises—the shipping of material to Germany and the purchase of steamers, the organization of companies—all that sort of thing; not exactly propaganda, and as to which there are some reasons for not making public all of the facts at this time. I assume that the committee does not care to know about them, except to know that, in a general way, he was spending some millions of dollars in getting into Germany, through adjoining neutral countries, supplies that Germany wanted, all, of course, being done under the guise of American or other agencies.

Senator NELSON. Was he successful to any extent?

Mr. BIELASKI. A great many of his cargoes, I think, wound up in the prize courts of Great Britain. Some of them got through.

One of the most noted instances of where they attempted to ship through was in the steamer *Wilhelmina*; that was a load of food supplies, which was sent out on the *Wilhelmina* intending to go straight to Hamburg and to be used as a test case of the British embargo.

Senator NELSON. That was meat supplies, was it not?

Mr. BIELASKI. Lard and wheat, etc.

Senator NELSON. Meat supplies, I say, from Chicago, was it not?

Mr. BIELASKI. Yes; partly Chicago, but I think it was largely wheat and lard and so on.

It was intended, also, to either get through or to make diplomatic difficulties between this country and Great Britain. It was sent forward under the guise of an American proposition absolutely; that it was American owned; that the cargo was American shipped; and that the boat was an American boat.

The whole enterprise was financed by Germany from the start.

Senator NELSON. That vessel did not get through, did it?

Mr. BIELASKI. The vessel was taken into the ports of Great Britain.

In connection with that there was a very interesting thing. One of the members of this firm of Hayes, Kaufman & Lindheim wrote a letter under date of January 22, 1915, to the Secretary of State in which he said:

"The vessel is American. The officers are American. The consignees are American. The cargo is of American manufacture. It is an American venture, pure and simple, and no one else has any interest in it whatsoever."

Mr. Kaufman at that time was the attorney for Mr. Albert. Mr. Albert financed the deal, with John Simon; and in point of fact there was no real financial interest on the part of any American concern at all.

The facts as to the real nature of the shipment came fully to the attention of the State Department at just about the time the representations concerning the *Wilhelmina* were being made, and, in that way, any possibility of serious friction with Great Britain over the *Wilhelmina* was avoided.

Senator KING. Do you recall whether Mr. Kaufman or anybody pretended to represent American consignors abroad at the prize court?

Mr. BIELASKI. Mr. Hayes went over there and, I think, took part in that litigation.

Mr. O'BRIAN. They engaged a lawyer over there.

Mr. BIELASKI. Mr. Hayes went over there also. I remember that. This particular letter appears to have been dictated by Mr. Lindheim.

In addition to the moneys spent in New York the German consuls around the country were furnished sums by Von Bernstorff for various purposes. Some of the money so furnished, we believe, was used by, for instance, the German consul at Chicago in the American embargo conference, though we can not prove that directly.

All we can prove is the payment of sums to him from Bernstorff, and we know what his interest in the American embargo conference was. He also did furnish funds, of course, in connection with the Hindu cases which Jacobsen was connected with.

Out in San Francisco a press bureau was maintained by the consulate, as indicated by the translation of a letter sent to us afterward:

by one of the men attached there, which I think he thought would go on the *Deutschland*. He said:

The Press Bureau of the Consulate is under my charge, and I have made it a rule to put into the papers every week a map drawn by me explaining to the reader, at a glance, the entire situation. I believe my maps are aiding extensively in familiarizing the public with the war situation.

Then he goes on and tells something more about them. Interestingly he says:

A correspondent of the International News Service, William Bayard Hale, the only one who really does something for us in the American press, should be instructed accordingly.

That refers to certain lines of propaganda work which he said the British were following and which they were avoiding. He says:

You must never forget that Americans are not Germans, and their food must be cooked and served to them to suit their taste.

Senator OVERMAN. Have you ever estimated, in your office, from these documents and from your own knowledge, the total amount of money expended by the Germans in this country, approximately?

Mr. BIELASKI. That would be rather difficult, Senator, to get exactly an accurate account, because we do not know the manner in which every dollar was spent, by any means.

Mr. Albert's office handled, so we understand, a complete turnover of \$35,000,000. Much of that was used in the purchase of supplies and these ship ventures and things of that kind. I have some figures here, however, which will give you some idea on the subject.

In addition to the funds that Albert's office had he had certain funds of his own which were placed to his credit. The ambassador received some funds, entirely outside of Albert's—several million dollars; I do not know that we know just what use he made of all the money he had. They spent over here about \$1,800,000 in the Bolo Pasha business; about \$1,700,000 in the Evening Mail business; they spent, I think it was, some \$400,000 or \$500,000 paid to Strauss, who was handling the Jewish propaganda. They spent many thousands of dollars in the Irish business, and in getting out their books they spent many thousands of dollars.

This is a brief statement of the moneys they raised:

First, a loan, March 1, 1915, nine months, notes due January 1, 1916, \$7,100,000.

Two years' treasury bonds, due September 1, 1918, sold mainly to German insurance companies doing business in the United States, about \$1,800,000.

Third, one-year German treasury bills, sold June, 1916, due March 1, 1917, and partly renewed on that date, \$3,600,000.

Total sales of treasury bonds and bills, \$12,500,000.

They obtained bank credits and bank loans.

Naming the banks, they obtained from the Chase National Bank about \$2,500,000.

From the Bankers' Trust Co., \$250,000.

From the Guarantee Trust Co., \$450,000.

From G. Anssinick & Co., \$300,000.

From the Equitable Trust Co., \$1,700,000.

From the Mechanics & Metals National Bank, \$1,400,000.

From Kuhn, Loeb & Co., \$400,000.

Total funds produced through bank loans and bank credits \$7,050,000.

Remittances from Reichsbank, department of interior, war department, and Central Purchasing Agency, of Berlin, approximately \$7,000,000.

Funds secured through loans with the German banks, proceeds of which were made available in New York, \$1,300,000.

The total funds received as above outlined aggregate \$27,850,000. In addition, Dr. Albert's office received, of embassy funds, through Mr. Hugo Schweitzer, about \$150,000 to \$200,000.

Under date of June 21, 1915, one account, which was given a code name in their books and had to do with press propaganda, shows the sum of \$786,000 had been expended at that time, June 21, 1915.

Senator STERLING. What did Von Rintelen spend and where did he get his money?

Mr. BIELASKI. He had approximately, I think it was, \$700,000 which was in addition to any of these moneys.

The money that came through Hugo Schmidt was all for commercial purposes, except that Bolo Pasha incident, and \$15,000 which was paid to a man in New Jersey in connection with certain other activities.

Senator NELSON. Can you give us the ramifications of that Bolo Pasha affair in this country? He is dead now, and it would not do any harm.

Mr. BIELASKI. He is dead. The most interesting thing that we have seen in that connection—

Senator NELSON. We want the connection of our people with it—people that are living here, or newspapers in this country.

Mr. BIELASKI. There were no people living here connected with it who knew the real facts, so far as we can prove, except German citizens, with the possible exception—though we do not know whether Hearst knew about it or not. He was intimately associated with Bolo Pasha in meetings, and it was his representative that brought the man over to this country.

Senator NELSON. You mean the Hearst newspaper representative?

Mr. BIELASKI. Yes.

Senator OVERMAN. Did Dr. Hale know him?

Mr. BIELASKI. No; this was a man named Bertelli, from France.

Senator NELSON. Who brought Bolo Pasha over?

Mr. BIELASKI. Yes; they came over together.

Senator NELSON. Was he Hearst's representative over there in France?

Mr. BIELASKI. I think he was the representative of the International News Service, which, I think, is Hearst's organization.

Senator NELSON. Can you tell us anything about the connections of Bolo, and what he did after he got over here—after he was brought over here by this representative of Hearst?

Mr. BIELASKI. He came over here and got in touch with Javenstadt, who put him in touch with the German ambassador. The German ambassador cabled, as you will recall from the cablegrams made public by the State Department, and asked for the money.

Senator NELSON. Who was Pavenstadt, and what were his affiliations?

Mr. BIELASKI. He was a German, now interned; a man of great wealth, worth at least \$1,000,000.

Senator NELSON. A resident of this country?

Mr. BIELASKI. Yes, senator; a resident of New York City; born in Germany in 1854, and came to the United States in 1876, and he was a close friend of Von Bernstorff's, and acted as intermediary in the transfer of the money.

Senator NELSON. Can you not tell us something about who Bolo Pasha affiliated with and associated with, and was in conference with in this country after he came over here?

Mr. BIELASKI. Yes; I can.

Senator NELSON. I would like to have that.

Mr. BIELASKI. Adolph Pavenstadt was the principal man he met; the man who took him down to Von Bernstorff; and in February Bertelli introduced him to Hearst.

Senator STERLING. In 1915 was that.

Mr. BIELASKI. No; 1916.

Senator NELSON. 1916; that is right.

Mr. BIELASKI. Hearst invited Bolo and Bertelli to lunch shortly afterwards, and I think Mr. Becker developed, and Mr. Hearst admitted, a number of meetings with him—I think at the theater, and at some dinner at which, of course, a large number of other people were present.

Senator NELSON. What was Bolo's special mission here?

Mr. BIELASKI. His mission here was to get the funds from the German Government to take over one of the most important newspapers of France for the purpose of conducting propaganda there.

Senator NELSON. His mission was to get the funds here to buy a newspaper over in France?

Mr. BIELASKI. Yes, sir.

Senator STERLING. Were others at that luncheon than Hearst and Bolo Pasha?

Mr. BIELASKI. I do not know just who were at that luncheon, Senator. I do not know that our files show.

The investigation in the Bolo Pasha matter was made by Deputy Attorney General Becker, and while he furnished us copies of all his reports and that sort of thing, he knows about the details more than we do; but we can give them to you from our records.

I did not pay any particular attention to that, because it had no particular reference to activities in this country, except the getting of the money. It was for use in France.

Senator NELSON. Yes; but we want to know who were active in helping him in getting that money.

Mr. BIELASKI. Pavenstadt was the only man, I think, in this country that we know could be said to have known what he was doing.

Of course he got the money through banks. The money passed through the Morgan concern; but they did not know anything about the purpose of it at all. It was a very carefully concealed affair, which only Bernstorff and Bolo Pasha and Pavenstadt, possibly, knew about. Whether Mr. Hearst knew about it or not we do not know. I think Mr. Hearst has denied that he had any idea what it was for.

Senator STERLING. But Bolo Pasha was brought over here by representative of Hearst?

Mr. BIELASKI. Yes; they landed together—Charles F. Bertelli.

Maj. HUMES. His ostensible purpose in being in this country was to secure print paper, was it not?

Mr. BIELASKI. Yes; something of that sort.

Senator KING. It is probably not quite accurate to say that he was brought here by Hearst's representative?

Mr. BIELASKI. No; they came together.

Senator KING. They came on the same boat, as did others?

Capt. LESTER. He was introduced to Hearst by Mr. Bertelli: but Bertelli was in Paris in charge of the International News Service and brought Bolo Pasha over here. We have a complete summary of the whole Pasha connection, which I have from the Military Intelligence files here, and we can put it in at some future time.

Mr. BIELASKI. The only interesting new thing I know about Bolo Pasha that has not been published is that in the book kept by Dr. Albert, under date of September 26, 1914, appeared an entry: "Prepared telegram to Bolo."

Which was, you see, some time back of his activities over in this country, and would indicate a much earlier connection with the German interests in this country and Bolo than we have ever otherwise developed.

Senator KING. There is nothing to indicate that the money which Bolo Pasha obtained was contributed by Americans?

Mr. BIELASKI. Oh, no.

Senator KING. It was German money?

Mr. BIELASKI. Yes; arranged for by wireless messages, which the State Department has made public. The concerns over here handling the money had no idea that they were handling German money.

Senator KING. The banks here simply had the transaction as they would any other transaction—not knowing the purposes for which the money was to be obtained, or, indeed, the original source from which the money came?

Mr. BIELASKI. No. Part of the money even went through one of the Canadian banks; and of course they had no idea what it was for.

Senator NELSON. Is that all the information you can give us about Bolo Pasha's operations in this country?

Mr. BIELASKI. I say we have a complete file, Senator, and we could give you a great deal more about it; but there was nothing to his operations in this country except his getting the money and getting away.

Senator OVERMAN. It is half past 1 now, and we will take a recess until 2.30 o'clock.

(Whereupon, at 1.30 o'clock p. m., a recess was taken until 2.30 p. m.)

AFTERNOON SESSION.

The subcommittee reconvened, pursuant to the taking of the recess at 2.30 o'clock p. m.

TESTIMONY OF MR. A. BRUCE BIELASKI—Resumed.

Mr. BIELASKI. I made reference a day or two ago to a Dr. Karl A. Bertling who was sent here right at the outbreak of the European war, by the German Government, and used particularly in propaganda work in South America, organized a cable service, and so on. I simply wanted to put in the record copies of a couple of his receipts to the German Embassy, at \$150, a month.

The receipts referred to are here printed in the record as follows:

BIELASKI EXHIBIT No. 132.

\$150.00. Einhundert Fünfzig Dollar — Cent habe ich für meinen Unterhalt in den Vereinigten Staaten während des Monats September 15, von der Kasse der Kaiserlichen Botschaft in Cedarhurst bezahlt erhalten.

New York, den 2. September 1915.

Dr. KARL O. BERTLING.

DUPLIKAT.

Von der Kaiserlich Deutschen Botschaft in Washington. \$1,080.00 (Eintausend sechshundert-achtzig Dollar — Cent) für meinen Unterhalt in den Vereinigten Staaten von meiner Ankunft dasselbst (Sept. 1914) bis einschliessend August 1915. empfangen zu haben, bescheinigt hiermit.

New York, Washington, D. C., den 1. August, 1915.

Dr. KARL O. BERTLING.

Senator OVERMAN. Go ahead, Mr. Bielaski.

Mr. BIELASKI. Bertling was actively in touch with Dernburg and the embassy and Von Papen and the rest of these fellows in their propaganda work over here. He was connected also with the German University League, about which we talked some yesterday. He was not a particularly important character, except that he was a paid propagandist, paid by the Germany Embassy.

Senator OVERMAN. Have you got anything in connection with the activities down in Mexico, arousing sentiment against this country and in favor of the Germans.

Mr. BIELASKI. Yes; I think I did tell you yesterday about the purchase of the paper La Reforma. We have the proof showing the money paid and the contract. They took the paper over and the paper became, as they said, German, heart and soul, or something of the kind, and was a German organ.

Senator OVERMAN. That was in the City of Mexico?

Mr. BIELASKI. The paper La Reforma was at Tampico. They maintained in Mexico a service with offices.

Senator NELSON. Have you anything else with reference to the propaganda in Mexico, except the purchase of that paper?

Mr. BIELASKI. Nothing except the purchase of that newspaper, and the circulation from their central office in Mexico City each day of this pro-German and anti-American propaganda. It was directed, of course, by the German ambassador down there, Von Eckhardt.

Also we had some information as to the sending of films to be used down in Mexico as a pro-German propaganda.

Senator NELSON. Nothing about the connection with that Mexican that our Government arrested at the border as he was returning to Mexico?

Mr. BIELASKI. Huerta?

Senator NELSON. Yes; Huerta.

Mr. BIELASKI. I do not consider that propaganda exactly. There is in our files a suggestion, but we have no proof that Rintelen, when he was here, proposed to finance Huerta.

Senator NELSON. Yes.

Mr. BIELASKI. Placing him in control in Mexico; but there was no definite proof about that. One witness, I think, related what Rintelen told him, but so far as proving that Huerta was financed by Rintelen or other German agents is concerned we can not prove it.

Senator NELSON. Is there anything to indicate that they were financed by interests in this country?

Mr. BIELASKI. No; I do not think so. Not in the Huerta case.

Capt. LESTER. That is one of the activities of Frederico Stallforth.

Mr. BIELASKI. Frederico Stallforth's activities were quite numerous. He was a banker of German origin, who was in the banking business in Mexico, who came to this country shortly after the start of the European war on account of conditions in Mexico. He was an intimate associate of Rintelen, and knew about all of Rintelen's activities.

Senator NELSON. Anything in connection with Villa?

Mr. BIELASKI. No; nothing.

Senator STERLING. Have you any specimens of the literature sent out by the German propagandists in Mexico?

Mr. BIELASKI. I think we have in our files quite a bit, and I am sure that the State Department has an immense amount.

The work down there, of course, in Mexico City, was very largely under the direction of the State Department and the military attaché at Mexico City, and they are more fully informed as to affairs inside of Mexico than we are.

Maj. HUMES. Mr. Bielaski, this morning you were discussing labor's national peace council. What were the activities of Hannis Taylor in connection with that?

Mr. BIELASKI. Hannis Taylor was employed by Martin.

Senator NELSON. By this Martin, who was associated with the "Wolf of Wall Street"?

Mr. BIELASKI. Yes, sir. He was employed, I think, to write opinions to the general effect that moneys in the Federal reserve banks could not be lawfully used in the purchase of bonds of the allied Governments, and that was circulated very largely by these fellows. He did some other work for Martin.

Here is a copy of a telegram addressed to Martin at the Knickerbocker Hotel, dated October 11, 1915. It reads as follows:

BIELASKI EXHIBIT No. 133.

WASHINGTON, D. C., October 11, 11.22 a.

H. B. MARTIN

Knickerbocker Hotel.

Have you received my letter when will you be here

HANNIS TAYLOR

11.58 a

Here is a photographic copy of a letter addressed to Martin by Taylor in which he says as follows:

BIELASKI EXHIBIT No. 134.

[Hannis Taylor, counselor at law, Maryland Building.]

WASHINGTON, D. C., Oct. 20, 1915.

DEAR MR. MARTIN: I had hoped to receive by this time your ck. for at least \$250. As you yourself contracted the obligation and made a very explicit promise, I should think that you would feel in honor bound to pay at least 1/2 of your obligation. Let me know in answer to this whether you propose to pay or not.

Yours very truly,

H. TAYLOR.

Mr. H. B. Martin,
N. Y. City.

I think that Mr. O'Brian told me that in his cross-examination of Taylor he admitted receiving about \$750.

Senator NELSON. From Martin?

Mr. BIELASKI. Yes.

Mr. O'BRIAN. I am not quite sure about that amount. It happened that I tried that case. It was either \$500 or \$750 from Martin and Fowler.

Senator NELSON. In what connection?

Mr. O'BRIAN. Taylor was employed by these men to write a couple of legal opinions, so-called; one of the character just described by Mr. Bielaski. The other I can not just recall. Then these opinions of his were printed in a broad sheet that they got out and distributed at labor picnics and at various labor union meetings in the West, tending to show that the attitude of the administration on certain questions was erroneous, and that the attitude on the British blockade was illegal and unjustified.

Mr. BIELASKI. It seems to me that one of those had to do with the legality of carrying munitions of war on passenger ships.

Mr. O'BRIAN. Yes; I think so. We have all those opinions in our files. We did not expect that question to be raised, and did not bring them with us.

Maj. HUMES. Mr. Taylor also addressed one of the meetings when Labor's Peace Council was organized, July 31, did he not?

Senator OVERMAN. At the St. James Hotel?

Mr. O'BRIAN. No; the real convention of Labor's National Peace Council was held at the New Willard Hotel, July 31, 1915, at which these so-called labor delegates—a considerable number of delegates from the grange were present. The grange people withdrew early. They became suspicious of the tone of the meeting. But at that meeting Mr. Hannis Taylor, I think, made quite an address, at one of the first meetings.

Senator NELSON. Was there not a propaganda carried on to this effect, that it was a violation of neutrality for our people to loan money to the allied governments?

Mr. O'BRIAN. Yes.

Senator NELSON. A propaganda of that character was carried on?

Mr. O'BRIAN. Yes.

Senator NELSON. And the Federal Reserve Board once forbade it?

Mr. O'BRIAN. Yes; there was a propaganda of that kind carried on. Ex-Congressman Fowler was of that number.

Senator NELSON. What State is he from?

Mr. O'BRIAN. I think he is from southern Illinois. And the literature was circulated particularly in the Middle West, in the agrarian States; very widely circulated.

Senator NELSON. I recall that the Federal Reserve Board at one time issued a sort of a recommendation against investing in the various bonds—bonds of the allies—don't you?

Mr. O'BRIAN. I think I have a recollection of that sort.

Senator NELSON. Yes; as a matter of fact, that was the case.

Senator OVERMAN. Mr. O'Brien, who presided over that meeting when Taylor made that speech?

Mr. O'BRIAN. Was it Martin?

Mr. BIELASKI. No; Martin kept in the background all the time. Was it not the vice president?

Mr. O'BRIAN. Buchanan had resigned a couple of days before.

Senator OVERMAN. Was Lamar down there?

Mr. BIELASKI. Lamar was downstairs. He never appeared in any of these meetings. [After referring to memoranda:] Fowler presided on Saturday afternoon. Saturday evening Mr. Oliver Wilson presided. That was before the people from the grange smelled a rat. They withdrew in a body and would have nothing to do with it; and Fowler spoke that night on the embargo on the export of munitions. Hannis Taylor addressed the meeting on the theme that the export of munitions was a violation of international law. He advocated a request to President Wilson to use the influence of the United States for peace.

There was a memorial introduced, and that is what broke up the harmony of the meeting, which was distinctly critical of the attitude of the President. The farmers refused to stand for any such thing. They became suspicious and withdrew from the meeting.

The meeting continued on Sunday morning, but gradually petered out. That was on Sunday morning, and on Sunday afternoon the famous strike resolution appears to have been adopted, which was greatly in controversy on the trial. It was a resolution, in substance, that recommendations be made to unions to take care of men who might strike in behalf of preventing—with the purpose of preventing—the shipment of arms and ammunition.

Senator STERLING. How largely was this meeting attended?

Mr. O'BRIAN. There were about 200 delegates. Their expenses were all paid, as I recall it, or practically all paid, out of German money that came through Dr. Albert or Mr. Martin; and Martin was the paymaster.

The breakdown of that whole conspiracy, which was a very well organized conspiracy, was due to the fact, chiefly, of the integrity of the average wage earner. They became suspicious, after the first 30 days or so, because of the fact that money for expenses could not be had; and the movement ultimately failed, partly because of the distinct opposition of Gompers, who was outspoken in his opposition to it, but chiefly, I think, due to the intrinsic integrity of the average fellow in these various unions, who would have nothing to do with it and who became suspicious and thought something was wrong.

Senator STERLING. Was the attendance of the members of the grange financed also by German money?

Mr. O'BRIAN. I am not sure. I would not like to answer that without ascertaining the facts. I think the expenses were paid, but I would like to look at the record before answering definitely. It is two years since that happened.

Capt. LESTER. We know they had their expenses paid from the Middle West and Southwest on here and while they were here and the expense of returning there.

Mr. O'BRIAN. The excuse that was given whenever questions were asked about the source from which the money came always was that a group of pacifist philanthropists were honestly interested in preserving peace and were providing this money. This was the stock answer that was always made. But eventually that excuse failed to satisfy the average workingman, who backed out of it. It was a very well organized movement. They sent many lecturers through the Middle West, and they addressed the central labor councils in most of the large cities of the North, always in the interest of peace. That was the main theme. It was a very carefully disguised movement. It is rather surprising that it did not succeed better than it did.

Senator STERLING. Taking the position that the shipment of arms and munitions was a breach of neutrality?

Mr. O'BRIAN. Yes; and making, over and beyond that, what they called a Christian appeal to the individual workman not to take part in the production of arms and ammunition which would lead to the destruction of human life abroad in a quarrel in which we had no interest.

Maj. HUMES. Mr. Bielaski, Hannis Taylor also prepared an opinion to the effect that the draft act was unconstitutional, did he not?

Mr. O'BRIAN. Later on.

Mr. BIELASKI. That was long after we were at war. He conducted a case, I think, which went up to the Supreme Court, and he submitted briefs in that case involving the constitutionality of the draft act, in an effort to have the draft act declared void.

Maj. HUMES. Was he compensated for that service, and if so, by whom, if you know?

Mr. BIELASKI. I do not know how he was compensated. I know that the Supreme Court administered quite a rebuke to him, in its opinion.

Mr. O'BRIAN. Because of the tone of his brief?

Mr. BIELASKI. Because of the tone of his brief.

I have here information with respect to a number of small payments of two or three hundred dollars to little foreign-language newspapers, or intimations of it, that I do not know are worth inquiring into.

Senator NELSON. Have you a list of the newspapers?

Mr. BIELASKI. I can list them. I can get them up for you.

Senator NELSON. Will you prepare a list and put it in the record?

Mr. BIELASKI. Just very little amounts, and very little papers, which were given little subsidies.

Senator NELSON. Yes. I think that should be put in the record. It is a good plan to know who bit.

Mr. BIELASKI. Yes; I will put in a memorandum.

(The memorandum referred to, furnished by Mr. Bielaski, is here printed in the record as follows:)

(Photographic copies of letters in the possession of the department indicate the following as to certain foreign-language newspapers:)

BIELASKI EXHIBIT No. 135.

Desteaptate Romane—Roumanian Paper—New York City.

On September 16, 1915, E. Zwiedinek, of the Austro-Hungarian Embassy, wrote the Consulate General in New York City inclosing check for \$400 to be paid this paper, and requested that a receipt be sent for the \$200 which had been previously paid this paper.

Illustrovani List—New York City.

On January 10, 1916, E. Zwiedinek, of the Austro-Hungarian Embassy, wrote the Consulate General, New York City, and instructed him to pay \$100 per month in February and March 1916, to this paper. Instructions were also given that \$100 per month be paid this paper up to July 1916, if the subsidy was needed.

Krajan—Slavish Weekly, 319 East 71st Street, New York City.

The Austro-Hungarian Embassy on September 3, 1915, sent the Consulate General at New York City \$250 to be paid this paper.

Telegram Codzienny—Polish Paper, New York City.

On November 5, 1915, the Vice Consul, New York City, wrote the Austro-Hungarian Embassy that the subsidy of \$700 granted to the above paper had been paid in full.

Mr. BIELASKI. The general attitude of Mr. William Randolph Hearst's papers on the European war is a matter, I think, of public knowledge.

He was the most important newspaper man whose papers took a friendly attitude toward Germany from the outbreak of the war.

If this inquiry were limited to the question of paid German propaganda, I do not think it could properly include Mr. Hearst, so far as I know. We have no evidence, whatever, that Mr. Hearst in any way received any funds or any profit from the attitude of his papers, from the German Government, or anyone acting for it.

Senator NELSON. But he was very active in his papers in behalf of the German Government all the time, was he not?

Mr. BIELASKI. He was, from the beginning of the war, I think, very active.

Senator NELSON. Of all the leading English newspapers, he was the most pronounced in his activity in that direction, was he not?

Mr. BIELASKI. He was.

Senator OVERMAN. How about after we declared war?

Mr. BIELASKI. After the war was declared, his attitude continued to be very questionable. Many of the publications which he printed, or which were printed in his papers after we went into war, if printed later on, after the espionage act, especially as it was amended and became a law, would have subjected him to prosecution.

I have already read some of the communications between von Bernstorff and the Foreign Office which make reference to Mr. Hearst, the most pointed being the one in which he stated, with respect to the Washington Post, "that it will be lost to the cause unless, as is very desirable, it can be placed in the hands of Mr. Hearst."

Senator NELSON. Yes.

Senator STERLING. Who makes that statement? Von Bernstorff?

Mr. BIELASKI. There is von Bernstorff's communication to the German Foreign Office.

Senator NELSON. In other words, the plan was to get the Washington Post and put it in the editorial charge of Hearst, was it not?

Mr. BIELASKI. In the control of Hearst, so that he would control its policy in some way.

Senator NELSON. Yes. That was Bernstorff's scheme?

Mr. BIELASKI. Yes; that was the plan he suggested as desirable.

This is an extract, I believe, from one of Mr. Fuehr's reports to Germany [reading]:

BIELASKI EXHIBIT No. 136.

On the other hand, the attitude, friendly from the beginning, of the ten papers belonging to the Hearst syndicate, which reach more than three million readers daily in all parts of the country, has recently become still more markedly friendly as a result of the boycott imposed by England upon the International News Service and the exclusion of all Hearst publications from circulation in Canada. Mr. Hearst has replied to the inconceivably short-sighted action of the British authorities against his news service in a series of sharp full-page editorials directed against the British censorship, which editorials must have considerably shaken the already weakened confidence of the American press in the news emanating from England. In the articles in question, not only was the present English system of suppressing and distorting the truth subjected to annihilating criticism, but it was also shown that America has been for years systematically misled by London in its judgment of foreign people; as for instance, of the "degenerate Frenchmen."

Moreover, it was repeatedly demonstrated in detail by the Hearst papers that the situation of the Central Powers in the autumn of 1916 was an absolutely brilliant one, while that of England and her allies was entirely hopeless. It must be emphasized that the Hearst papers are nevertheless not to be classified as blind champions of the German cause, since they print many things which could scarcely be to our taste; for example, occasional articles about the "German danger," an idea which has received fresh impetus as a result of the exploits of the "U-Deutschland" and particularly of the "U 53" and which is being used as an argument for the expansion of the Army and Navy. The fact is that the papers referred to stand upon the ground of a sound American policy, but with their sharply anti-English tendency are much more effective in support of our cause than newspapers with pronounced pro-German orientation could possibly be. Furthermore, the greatest value of the Germanophile attitude of the organs of the Hearst syndicate is to be found in the fact that their influence extends not to a single city or to a small part of the land, but over the whole Union. An English critic, S. K. Ratcliffe, recently wrote in the "Manchester Guardian" concerning American newspapers; "Northern papers are of no account in the South; the most influential New York journals do not exist for the people of the Pacific Coast, and carry very little weight in the Middle States. Hence summaries of opinion . . ." confined to a small number of papers published East of the Mississippi are imperfectly representative of the republic."

It is this correctly discerned evil of the geographical limitation imposed upon the influence of the foremost American papers which is practically overcome in the case of the Hearst organization. For the editorials which appear today in the "New York American" are printed tomorrow in the affiliated papers of Boston, Chicago and Atlanta, and on the following day in San Francisco.

Senator NELSON. How do you account for the friendliness of the Hearst papers and of Hearst to the German cause?

Mr. BIELASKI. How do I account for it?

Senator NELSON. Yes.

Mr. BIELASKI. I think Hearst has always been violently anti-British.

Senator NELSON. Yes.

Mr. BIELASKI. He was also, I think, admittedly personally friendly with Ambassador Bernstorff, was acquainted with Albert, and that may have had something to do with it.

Senator NELSON. Was not a part of his agitation, too, the danger from Japan? Was he not always advocating that propaganda?

Mr. BIELASKI. He has always been violently anti-Japanese also.

Senator NELSON. Yes; and always preaching the danger that the country was subject to from Japan?

Mr. BIELASKI. Yes, sir.

Capt. LESTER. And Mexico also, Mr. Bielaski; was not that the fact? His publications were directed to the attempt to get intervention in Mexico, about the time we entered the war, on the side of the allies?

Mr. BIELASKI. Yes; I think he went so far, in 1917, as to urge that we keep our Army here for use on the Mexican border instead of sending it abroad. You will recall that his papers persistently opposed the sending of any troops to France. He wanted us to fight the German Government over here, but not in the allied countries.

Senator NELSON. Yes; to get the Germans over in Mexico, and then whip them.

Mr. BIELASKI. Mr. Fuehr, in a report about the end of May, 1916, said:

Only the following papers can be described as really neutral: The New York Evening Mail, The Milwaukee Free Press, The Washington Post, The Chicago Tribune, and the Hearst papers: New York American, New York Journal, Chicago Examiner, Evening American, Boston American, Atlanta Georgian, San Francisco Examiner and Call, Los Angeles Examiner, and the Evening Herald.

Of course the New York Evening Mail, I suppose, was owned by Germany. The Milwaukee Free Press is a German-American paper that has been in constant difficulty with the Government ever since the war started. The Washington Post for a time was pro-German, until it changed its policies.

Senator NELSON. It was very bad up to the time that McLean died.

Senator OVERMAN. You say the Chicago Tribune was included?

Mr. BIELASKI. The Chicago Tribune is mentioned.

Senator NELSON. I used to read the Post mornings, and sit down and swear over it. But after McLean died, he evidently went to a good place, because the paper changed its tone. For a couple of years we only had one fair paper here in reference to this German propaganda, and that was the Star.

Senator STERLING. Who were some of the editorial writers for Mr. Hearst during this time?

Mr. BIELASKI. I think Mr. Brisbane was one of his editorial writers. I really do not know enough about the Hearst organization inside to say, Senator. Mr. Merrill—I do not know whether he was an editorial writer or not. He was one of the men who made the arrangements with Hale about his trip abroad.

Senator STERLING. Do you know for what papers Brisbane wrote?

Mr. BIELASKI. I assume for the entire Hearst syndicate.

Senator NELSON. Did you say he was one of the men—Mr. Brisbane—that made arrangements for Hale to go abroad?

Mr. BIELASKI. No, sir; a man named Merrill, I think it was, if I am not mistaken.

Senator NELSON. For Merrill to go abroad?

Mr. BIELASKI. No, Senator; Merrill made the arrangements on behalf of Hearst with Hale.

Senator NELSON. And Merrill was the man who accompanied Bolo back here?

Mr. BIELASKI. No, sir; they are entirely different. Bertelli was the name of that man.

Senator OVERMAN. Was the Chicago Tribune engaged in any propaganda?

Mr. BIELASKI. I think the attitude ascribed to the Chicago Tribune resulted from the correspondent that they had abroad. I think his name was Bennett, if I am not mistaken, who only comparatively recently returned to this country, with his wife. He, admittedly, had an extremely pro-German attitude. I think the character of his dispatches back, and their reproduction in the Tribune, is what lead Mr. Fuehr to describe the Tribune as neutral.

Mr. Fuehr, in another report, says: "Only a few journals, among those the newspapers belonging to the Hearst syndicate, believe in 'A stalemate or a victory of the Teutonic allies.'"

Again: "The interview granted by your Excellency to the American journalist Hale was printed in a most impressive manner by the 11 Hearst papers, and also by all the other subscribers of the International News Service. It occupied the entire front page on the New York American on Thanksgiving day, and was adorned with your Excellency's portrait. Three days later this paper repeated the publication, stating that it had been repeatedly requested to do so."

Again: "The papers which are friendly to Germany, especially the Hearst papers, declare themselves emphatically in favor of a general embargo upon foodstuffs, hinting more or less openly that such a measure would compel England to make peace."

Our records show that Mr. Hearst went to the office of Dr. Albert, 45 Broadway, on June 24, 1915. What the purpose of the call was is not known.

One of the men convicted in the Sanders-Wunnenberg case told us, as I said the other day, that in the Hearst news reports from Hale back to the country were to be enclosed or concealed cipher messages for the German Government. But he indicated that that was not actually accomplished, because on our entrance into the war, that put an end to that plan.

This same man stated that William Randolph Hearst had Bernstorff at his house several times. But I understand Mr. Hearst admits that he and Bernstorff were friendly and that they were together a good many times. He also stated that Mr. Hearst was looked upon in Germany as the biggest man in America, and that the German Government had asked Hearst to send Hale to Germany.

Mr. Albert wrote to Mr. Hearst, under date of November 18, 1915, stating this:

Taking advantage of, I am sorry to say, only slight acquaintance, I here beg to send you copies of letters I have exchanged with the Embassy.

It was just regretting that Hearst would not or could not send a moving-picture man to Germany under the circumstances.

Hearst wrote Bernstorff, also, to send a moving-picture man to Berlin. This letter reads as follows:

BIELASKI EXHIBIT No. 137.

NEW YORK AMERICAN,
December 13, 1915.

MY DEAR COUNT VON BERNSTORFF: I am very glad to hear that the moving picture matter can be arranged, so that we can expect German pictures. Of

course, you know that I am anxious to do this for every reason. I have a moving picture man in Holland, whom I can send promptly to Berlin, or if desirable, on account of letters of introduction, passport, etc., I can send one of our best men immediately from here.

Many thanks for your interest in this matter.

Mrs. Hearst is getting along very well indeed, and sends her kindest remembrances.

Very sincerely,

GEZ. W. R. HEARST.

Count J. VON BERNSTORFF, *German Embassy, Washington, D. C.*

Senator STERLING. That is from Hearst to Bernstorff?

Mr. BIELASKI. Yes.

Mr. Bernstorff's reply is as follows:

BIELASKI EXHIBIT No. 138.

[German Embassy, J. No. A8171.]

WASHINGTON, D. C., *December 14, 1915*

MY DEAR HEARST: With many thanks for your favor of the 13th inst. I beg to say that I can arrange the matter any way you like. If you wish me to do so, I can send a wireless message to my Government asking them to instruct our Minister at the Hague to give all the facilities possible to your moving picture man so that he can reach Germany. As I said, however, I can also arrange the matter the other way.

Very sincerely yours,

GEZ. J. BERNSTORFF.

WM. R. HEARST, Esq., *Riverside Drive & 86th Street, New York City.*

There was a considerable desire on the part of the men in the newspaper business to obtain the exclusive rights of wireless service from Germany, and there are some telegrams here which indicate that Mr. Hearst was very anxious to obtain the service. That is the only thing that we have in our files which in any way indicates something Mr. Hearst might expect to have received in the way of a favor from Germany.

This telegram from Berlin to Dr. Fuehr says:

BIELASKI EXHIBIT No. 139.

Dr. Wilhelm been several days urging arrangement like that proposed your telegram and working understanding already reached. Inform Hearst and suggest giving Wilhelm full authority.

It is our guess that "Dr. Wilhelm" was William Bayard Hale: but that is a guess.

October 26, 1916, the following was sent to William Bayard Hale Berlin:

BIELASKI EXHIBIT No. 140.

Mr. Hearst dictated following reply quote internews and international feature service supply twelve hundred and eighty important newspapers additions Hearst papers their clients in every important town city United States internews also covers Canada South America collect supplies better fairer report than any other news association this proved by regular expansion internews and rapid increase its clients while other news associations standing still backwarding internews can most certainly supply Germany with best most detailed news service available America or with condensed or complete news service as required associated with internews and international feature service are newspaper feature king feature Pacific news and international film service and Hearst pictorial a moving picture service appearing practically every important moving theatre in United States also associated with them are international library a book publishing concern and international magazine company publishing Cosmopolitan Hearst Good Housekeeping magazine Harpers Bazar

numerous other periodicals circulation these magazines two millions monthly circulation Hearst newspapers clients internews international film and international feature service undoubtedly at least three quarters people of this country directly reached.

FRED WILSON.

I take it that was a telegram sent to present strongly the advantages that making an arrangement with his service would have.

Senator NELSON. Mr. Hearst was the main spoke in this service, was he not?

Mr. BIELASKI. Oh, yes; Mr. Hearst, I assume——

Senator NELSON. What do you call that special service?

Mr. BIELASKI. The International News Service, I think it is called.

Senator NELSON. He was the main spoke in it, was he not?

Mr. BIELASKI. Yes; I think so.

Maj. HUMES. Do you remember an incident in connection with, a man by the name of Lincoln, an Englishman, who was a fugitive from justice in this country and had connection with those papers?

Mr. BIELASKI. Yes; Lincoln was a man wanted in England who had been arrested and held for extradition. He was of German origin, and had been, I think, in the British Parliament, in some way, and got into difficulties over there in violating some laws with respect to property. He escaped from jail and came over here, and while he was out he continuously wrote the New York American, I think it was—Mr. Hearst's paper—letters about his whereabouts, and so on. It was with some difficulty that he was recaptured.

Maj. HUMES. What was the attitude of the papers toward the Department of Justice in assisting in the apprehension of this man?

Mr. BIELASKI. They did not assist.

Maj. HUMES. Were his articles printed in the papers during this period while he was a fugitive?

Mr. BIELASKI. His letters were printed in the papers. The general atmosphere of the thing was that the papers was rather belittling the efforts of the Department of Justice to capture this man. Nevertheless, he was captured.

Maj. HUMES. What year was that? Do you remember? 1916?

Mr. BIELASKI. 1916, I think. It was during the war time.

Maj. HUMES. Mr. Bielaski, have you the "Palm Beach" telegrams between Hearst and his papers?

Mr. BIELASKI. Yes; we have a photographic set of them which has been furnished to us by the Naval Intelligence Service some time ago. They called them to our attention and they furnished us a set.

Maj. HUMES. Will you submit those to the committee?

Mr. BIELASKI. As a lump?

Maj. HUMES. I suppose the committee wants them read in the usual way.

Senator STERLING. May they not be read?

Maj. HUMES. Yes; I say I suppose the committee wants them read in the usual way. Read them please, Mr. Bielaski.

Mr. BIELASKI. These are arranged chronologically, I think.

This is to Phillip Francis, New York American, in which he said, February 21, 1917:

There should be a vigorous attack on the espionage bill. Note that Senator Chambliss says the measure is the most stringent and drastic ever proposed to

curb a free people in time of peace or war. The Government would have absolute power, in war time, to suppress newspapers, and prevent debate in Congress. It might even be held a criminal offense for two citizens to discuss with each other questions of military policy.

Senator KING. I am not quite sure, Mr. Chairman, that I see any relevancy in this testimony.

I was in favor of the espionage bill, and aided the chairman of this committee in preparing some features of it. I can readily appreciate, however, that men might differ as to the wisdom of that bill, and honestly differ. Indeed, there were many of our patriotic people in the United States that felt that such legislation as that was improper and harmful. Now, if this merely is to show that certain newspapers—I do not know, having just come in, to which newspaper this refers, if any. It is merely an effort, now, to show that certain newspapers, or certain individuals, opposed the passage of the espionage bill, it seems to me that that is not relevant or material to the investigation being conducted.

Senator OVERMAN. I do not know what is in it.

Mr. O'BRIAN. On behalf of the Attorney General, Mr. Chairman, I would like to say that these telegrams relate to the internal policy of Mr. Hearst and his papers. They are not connected with any German agent in any way, but consist of instructions given to his editors.

I would suggest that the committee look at the file and see whether the committee desires that they, or any part of them, be read, under the suggestion just made by Senator King.

They are not a part of German propaganda, in the sense that they originated with German agents. Do I make myself clear on that? They relate to the internal conduct of Mr. Hearst's papers under his own direction, and I would suggest that the committee look them over and see whether they desire them read into the record.

Senator NELSON. I differ entirely with Senator King. It was very important to pass such legislation as that, and if any leading newspaper opposed it and attacked it unreasonably, I think that was unpatriotic and disloyal, under the circumstances.

Mr. O'BRIAN. I am not expressing any opinion, myself, Senator, on my own behalf or on behalf of the Attorney General. I am merely making the suggestion that the committee look these papers over and determine for themselves what they wish to put into the record.

Senator OVERMAN. The newspaper men suggested an amendment of the bill, which we accepted verbatim et literatim, and then they began, after our accepting it, a propaganda against the bill.

Senator KING. In reply to the statement made by Senator Nelson I think that his position is untenable. I think that this is a free country in time of war and when we are in time of peace, and that men may honestly differ, without being branded as being disloyal or unpatriotic, as to the internal policies of our Government and as to policies which the Government may pursue.

It is not unpatriotic, in my opinion, for a Senator, a private citizen, or a newspaper, to oppose the enactment of legislation which may be deemed by that person, Senator, or newspaper to be unwise and inopportune.

After the legislation has been enacted, then it would be highly unpatriotic to oppose its enforcement.

I know of many patriotic people—some of them Senators and Congressmen—who did not think that the occasion called for this espionage bill. I did, and heartily supported it, and voted for it. Yet I would feel that it was highly unfair for me to brand everybody who differed from me as unpatriotic.

Maj. HUMES. By way of explanation, I will say that I suggested to Mr. Bielaski the production of these, not because of that telegram, but I classed them together as the "Palm Beach" telegrams, accepting the common expression that seems to have been adopted. Some of these telegrams include matters between Hearst and Hale while he was in Germany, instructions as to how to carry news matter in the papers, and there is only one telegram that related to the espionage bill.

There are a great many subjects covered, and for Senator King's information I want to call his attention to the fact that there is only one of these telegrams that refers to the espionage act. I have a copy of them, Senator, if you want to look at them and see the various subject matters covered.

Senator KING. I suggest, with respect to these matters as to which there may be some honest difference of opinion as to their relevancy or materiality, that the committee have a chance to examine them and determine that question before they go into the record.

Senator OVERMAN. We will take that course. Proceed. Mr. Bielaski.

Mr. BIELASKI. I think, unless the committee wants some further details about the course of the Hearst papers after we went into the war, that is all I have to say about it.

Senator NELSON. Have you any statement about the attitude of the Hearst papers after our country went into the war?

Mr. BIELASKI. Yes, in general; that I have explained. The first thing, I think, that they did was to oppose the sending of our troops abroad. I take it Mr. Hearst based his opposition—at least his attitude would be that this opposition was for the good of the country; that he thought that troops ought to be kept here. In numerous parts of his paper he makes statements commendatory of Germany, and he favored peace in his paper.

Senator STERLING. In view of his attitude before we got into the war, would you not rather think that his opposition to sending troops abroad was because of his friendly feeling toward Germany and his hatred of England?

Mr. BIELASKI. That would be an expression of opinion only, Senator. The best way I can characterize his articles is that they were the sort of things which would have resulted in favoring of Germany had they been adopted, in the light of things as we see them now.

Senator STERLING. Just referring to the arrival of Bala Pasha in this country, do you recall the date of his arrival, now? Do you remember when he arrived?

Mr. BIELASKI. I have it here.

Capt. LESTER. It is right in that summary.

Mr. BIELASKI. I think I testified about the arrival of Albert as having been the latter part of August or the 1st of September. I

have found, on examining our files further this morning, that he arrived on the 28th of August, I think, at a quarter past 10.

Senator STERLING. That was 1915?

Mr. BIELASKI. In May, 1914, was the first time Bolo was in New York.

The last time he came here was February 22, 1916, when he landed in New York City.

Senator STERLING. Is there any evidence of his acquaintance with Hearst prior to his second coming to this country?

Mr. BIELASKI. Not that I know of.

Senator STERLING. In your statement made a while ago, you spoke about his having been invited by Mr. Hearst to luncheon.

Mr. BIELASKI. Yes.

Senator STERLING. Do you know when that was, after his arrival?

Mr. BIELASKI. That, of course, is in the files, Senator. It apparently was some time in February; between the 22d and the 25th. I do not know the exact date; soon after his arrival.

Senator STERLING. Do you know where this luncheon was had?

Mr. BIELASKI. I imagine that is in our files also, but I do not know, personally, without a further examination of the files.

Senator STERLING. Do you know whether anyone else was at that luncheon or not?

Mr. BIELASKI. No; I do not, offhand; no, sir.

Senator STERLING. Can you ascertain from the files?

Mr. BIELASKI. Oh, yes. We have a complete report as to all the information that was developed, furnished to us by Deputy Attorney General Becker, who, on behalf of the French Government, made that investigation.

Capt. LESTER. Here is the whole history, starting in February, of Bolo Pasha.

Mr. BIELASKI. There is a summary here, Senator, with respect to this matter of Hearst and Bolo, but I would prefer to testify from the original records of Mr. Becker. There are some matters here that do not agree with my recollection.

Senator STERLING. And those records will be here?

Mr. BIELASKI. Yes; they can be produced.

Senator STERLING. Very well. We can forego that for the present, then.

Mr. BIELASKI. Some of this does not agree with my recollection at all.

Senator, if it is agreeable to you, we will furnish the entire file in the Bolo Pasha matter to Maj. Humes.

Senator STERLING. All right.

Mr. BIELASKI. Shall I proceed, Mr. Chairman?

Senator OVERMAN. Yes. The committee will examine these papers which have been referred to as the "Palm Beach telegrams" and see what we will do with them.

Senator KING. Mr. Chairman, so that I may understand the attitude of the committee; I have received a number of communications inclosing clippings from various newspapers throughout the United States, some of the papers published in foreign languages, the clippings indicating a friendly bias in favor of Germany, and the writers wanted me to present some of those clippings to the committee.

I have not felt that that was the proper thing to do unless it could be shown that those newspapers were operating for and in behalf of Germany or unless some connection could be traced between them and Germany.

Senator OVERMAN. I think the question is whether they were trying to manufacture sentiment in favor of Germany and against the allies. If so, they should go in the record.

Senator KING. I wanted to know the attitude of the committee; whether or not the mere fact that newspapers published something in favor of Germany, without connecting it all, directly or indirectly, showing that they have been employed by or are in the interests of Germany, will make it proper that we should investigate them and put those publications into the record.

Senator OVERMAN. It is hard to tell, because it has been shown here that there have been a good many foreign papers that were financed in small sums by the German Embassy; and if those papers published these items for money, to create sentiment in favor of Germany, it seems to me they ought to be put into the record.

Senator KING. For instance, I have before me a document which was handed me, showing that a very prominent paper in the United States made statements that clearly indicate a hatred for England and high regard for Germany. I did not feel like that ought to go into the record. I could not say that that paper, because of those utterances, was receiving contributions from Germany or was interested in a material way in German propaganda.

I was not present at a meeting in executive session of the committee when the scope of this investigation was determined upon, and it seemed to me that, unless there can be traced some connection between newspapers and Germany, under the resolution there was some question as to whether their utterances, their editorials, and so on, were relevant testimony.

Senator NELSON. I do not know whether you were in here the day the evidence was offered showing about the advertising propaganda of Hammerling.

Senator KING. Yes, I was here; that is, during part of it.

Senator NELSON. Did you notice his circular that he issued to the newspapers?

Senator KING. No; I did not.

Senator NELSON. And, then, the replies of the newspapers? There was a bunch there that Capt. Lester had, and I picked out some relating to the papers of the Northwest. We did not put them all in. They were not all put in. They were written requests to Hammerling in favor of that propaganda, and in favor of the embargo on the shipment of arms abroad in 1915.

Senator KING. I think that would be material and relevant.

Senator NELSON. All of those letters produced by Capt. Lester were there on the table. They were not introduced. I picked out about half a dozen relating to papers out in my country, and got copies of them.

Senator OVERMAN. We have shown here that Dr. Albert and Dr. Fuehr, German agents, in the employ of the German Government, adopted a scheme to create a public sentiment in this country against war, against this country going into the war, and against England in this country; and a great many things in order to create a public

sentiment in the interest of the German cause. How far that has gone, I do not know. We have shown, in many instances, that they have spent money—large sums of money; we have shown that they spent \$35,000,000 or \$50,000,000 on German propaganda. It has been shown that this sentiment was attempted to be created, either by means of money or otherwise, in this country in favor of Germany, and against our allies. I can not say whether the newspapers to which you have referred were affected, or not. Whether we shall go into that or not is a question for the committee.

Senator KING. I think there could be no question but what the committee, with great propriety, could show that any newspaper or any individual received a portion of that \$35,000,000 or \$50,000,000. or any money from Germany; but because some newspaper or some individual was opposed to war, without any connection being shown between that individual or that newspaper and Germany—it seems to me that there would be a good deal of doubt in respect to that matter.

Senator OVERMAN. We will reserve that question.

Senator KING. I know of numbers of religious newspapers that opposed the war, and it would be absurd to say that they were the recipients of any contributions or of any payments from Germany.

Now, to read into the record these editorials opposing war, it seems to me would be a work of supererogation, and would not be a proper procedure. I do not think it is a fair conclusion or deduction to say that every man who opposed war was influenced by Germany or German money.

Senator OVERMAN. I do not, either.

Senator KING. Lots of good people are opposed to war and hate Germany, and abhor military and autocratic systems. It is simply a question of relevancy and materiality.

Senator OVERMAN. I think we have kept out those, except those connected in some way, by conversation, or letter, or telegram, with the embassy or the agents representing Germany. I do not think we have gone into the matter as broadly as you suppose we have.

Senator KING. I do not say the committee have gone far.

Senator OVERMAN. I think you are wise in desiring to keep out anything that is extraneous; for example, some person just giving his opinion, without being influenced by German money or German influence. Every man is free to express his opinion in this country. As you say, there are a great many good people in this country who were honest in being opposed to war.

Senator KING. We do not want to make this proceeding a mere sewer or conduit into which may be dumped all the accusations and charges and libelous statements, or suspicions, of various persons throughout the United States. We adopted the rule, when we started, that this was to be an impersonal examination, and I think we have tried to keep it down to that. Of course, naturally, in reading something, a name will creep in. You can not help it.

Senator KING. For instance, I notice the name of Prof. Hart was mentioned. I know of Prof. Hart and have read his writings and know his attitude, and no more loyal man, in my opinion, can be found in the United States; and yet his name is brought into this record as being disloyal.

Senator OVERMAN. No.

Senator STERLING. No.

Senator OVERMAN. His name was just mentioned.

Senator KING. Or pro-German.

Senator OVERMAN. No. He was not charged with anything. His name was found on a list with other names, in Dr. Albert's office, and that goes for what it is worth. There is no charge against him.

Senator STERLING. There is not yet a statement as to an utterance made by Prof. Hart, Senator.

Senator KING. But the fact is that his name was mentioned.

Senator STERLING. You would not limit the inquiry to cases where it would be shown that money had been received by the newspapers publishing the alleged German propaganda? That is not charged with reference to the Hearst papers, for example. It is not proven, I think, that the Hearst papers received money, and yet Germany praises Hearst as being the greatest American, and being the most outspoken of anyone in favor of the German cause. This is the reason for the testimony in regard to the Hearst papers.

Senator KING. I have no person and no newspaper in mind, at all. I am merely trying to determine just how far this investigation shall go, and then to determine, if we can, what evidence would be fairly and legitimately admissible, in view of the limitations which may fairly and rightfully be placed upon the resolution.

Senator OVERMAN. I suggest that Mr. Bielaski go on, and if Senator King, or any other Senator, desires that any matter be passed over for future consideration, we will take it up later.

Mr. BIELASKI. I did not understand, when directed by the Attorney General in response to your letter to appear here, that you contemplated any inquiry into the violations of law which were fathered by the German Government, which resulted in prosecutions; but Senator Nelson asked that some résumé of those cases be given. I think I can do it very briefly from a few notes, without having to look at our records, although I can not give you the details as fully as if I had had an opportunity to inquire into them.

Senator NELSON. That is all I wanted. I wanted a general outline of their actual deeds in this country.

Mr. BIELASKI. The first case which resulted in a prosecution under our criminal statutes was what was known as the so-called passport fraud cases.

Under the direction of Capt. von Papen and Wolff von Igel, of his office, a German-American named Hans von Wedell went into the business of supplying to German reservists passports of other countries in order that they might be able to pass through the British lines and so get back to Germany and fight.

So long as he confined his activities to furnishing papers of other countries, we had no particular concern about it. But when he began to secure, fraudulently, American passports for the use of German reservists, this country, of course, was interested, and an investigation was made, which resulted in finding that Hans von Wedell maintained a regular office to which men were sent by Von Papen and the various German consuls in this country to have their passage and papers arranged for them.

Von Wedell filed an application for a passport, and the man who bore it was captured by the British off Gibraltar. It therefore became necessary for him to disappear, and he was furnished with

funds for his get-a-way by Capt. von Papen, and Carl Ruroede took his place, a German-American, I think a naturalized citizen.

The day that von Wedell left, I think, Ruroede, his son, and a certain German reservist were arrested for this offense.

We believe that von Wedell has been drowned at sea, and that Ruroede, having served his term, is now at large in New York City. The other members of the conspiracy were fined.

Senator NELSON. Did this precede the attempt to blow up the bridge at Vanceboro, at the international boundary, by Horn?

Mr. BIELASKI. Yes; that was in the fall of 1914. One of the strange coincidences was that, among the lists of names that were seized at the time of the arrest of Ruroede as having been sent to him from Capt. von Papen's office so that he might be getting papers ready for them—one of the first names on one of these lists was that of Werner Horn.

Werner Horn was a German who had been 10 years in the German Army, and had reached the rank of ober-lieutenant—I suppose about the rank of first lieutenant in our service.

He was on the inactive list and had gone down, I think, to Guatemala, where he had worked on a coffee plantation and had become a manager of that plantation. Two hours after he got a call to return he had resigned his position, which was a good one for a man of his type, and was on his way back to this country to join the fighting forces.

He made several attempts to get across, by way of arrangements, never actually making an attempt.

Finally he went back to Mexico for a while, from whence he suggested to Ambassador Bernstorff that they try to take part of British Honduras, I think it was, with a force organized in Mexico.

Then he came back to New York and by Von Papen was furnished with money, and one of the checks taken from Von Papen by the British show that he was furnished \$700 at one time, and he carried dynamite from New York City on a passenger train to Boston, and then from Boston to Vanceboro, Me., where he made an attempt to blow up the international bridge there, which was only partially successful. I could tell you a great many details about it, but that was the substance of it.

Senator NELSON. He was finally convicted?

Mr. BIELASKI. He was finally convicted of having transported explosives on a passenger train in violation of section 235 of the penal code, and sentenced to 18 months in the Atlanta Penitentiary, which term he has served, and is now interned.

Senator NELSON. He is now interned?

Mr. BIELASKI. Yes.

Another passport fraud case was that in which Capt. Boy Ed, the naval attaché of Germany, Richard Steggler, a German, and Richard Madden and Vincent Cook were involved.

Steggler was to secure an American passport to be used as a cover for spy work in Europe. Capt. Boy Ed financed and directed Steggler's operations. Steggler, Madden, and Cook were convicted.

There were some other passport frauds, which were not prosecuted for the reason that the principals had gotten away, or were diplomatic and could not be touched.

The man Hoist von der Soltz, who went to England as a spy, was furnished an American passport through the instrumentality of Karl M. Luderitz, then the German consul at Baltimore. Luderitz has been indicted. I do not think that case has been tried as yet.

Senator NELSON. But the other man, who got the paper?

Mr. BIELASKI. The other man, who got the paper, went to England and was captured by the British. There he made a confession of his activities in this country, which were that he was sent by Capt. von Papen, von Igel and others with a lot of dynamite to blow up the Welland Canal. He was unsuccessful, I think, because the men he had with him and he himself did not want to take any chances over on British territory. They found the canal pretty well guarded, and they confined their activities very largely to wiring back to von Papen for money. So that he finally recalled them, without their having accomplished anything. They were indicted, and Tauscher was acquitted. He was the only man indicted, in all of the so-called neutrality cases, that ever was acquitted.

One of his associates, Fritzen, was sentenced to 18 months in the Atlanta Penitentiary.

Von der Goltz was not proceeded against, because he was used as a Government witness.

Senator STERLING. You say some of these offenders were diplomatic and could not be attacked; do you mean that they were attached to the embassy here?

Mr. BIELASKI. Yes. I think we could have convicted Von Papen and Boy Ed at least, and possibly others, if it had not been for their diplomatic immunity.

Von Papen has been indicted, now, I think, in two jurisdictions, so that if he should return here he might be tried.

I do not think Capt. Boy Ed was ever indicted, although he participated in the so-called Hamburg-American case, this passport case, and the furnishing of supplies, through San Francisco, to the German fleet there.

Albert Saunders and Charles Wunnenberg I have mentioned before as being engaged, among other activities, in sending spies to England, equipped with American passports, for the purpose of securing military information.

Sanders and Wunnenberg plead guilty to indictments brought against them; and George Vaux Bacon, one of the Americans sent over, was convicted, as was another one of the spies whose name I do not recall.

In this connection I would like to say that I testified about a man named Reginald Rutherford having been sent abroad as a spy. It just so happened that there is a man of that name in Washington here, employed by one of the banks. I did not appreciate the fact, but he says that some people have confused him with this spy who was sent to Holland, and I wanted the committee to understand that he is not the man at all. The Rutherford who was sent abroad was a New York newspaper man, and I think he is still abroad; at least he has, until a short time ago, refused all opportunities to come back.

Max Zelinski was convicted in New York City for fraudulently obtaining papers—a passport—for an Austrian named Alfred Bondy.

It is interesting to note, in passing, that while not in violation of any law here, the Germans counterfeited our American passports.

They took the original passports from Americans traveling in Germany, under some rule whereby the police would take a passport and retain it for 24 hours and return it thereafter, and a man would show up with a passport of that kind, under that name, elsewhere, even in England.

Those things were rather badly done, because the description of the man who carried the passport did not agree with the description on file in the Department of State as to the man to whom it was issued, and the counterfeits were not hard to trace.

Certain officials of the Hamburg-American Line, who under the direction of Capt. Boy Ed endeavored to provide German warships at sea with coal and other supplies, in violation of the statutes of the United States, have been tried and convicted and sentenced to the penitentiary. Those were the so-called Hamburg-American cases. Some of the names of those involved were Buenz, Koeter, Hofmeister, sentenced to 18 months, and a man named Poppinghaus, to a year and a day; they were all Hamburg-American Line officials, who made false manifests in order to get these supplies out, or attempt to get them out, to the German fleet.

The German consul at San Francisco, under the direction of Capt. von Papen, and also participated in by Capt. Tauscher and Capt. Boy-Ed—I should have said under the direction of Boy-Ed, participated in by von Papen and Tauscher—endeavored to send out to the German fleet and in fact did send out to the German fleet, supplies on a boat known as the *Sacramento*. The *Sacramento* cleared for Valparaiso, I think it was, but went direct to the German fleet, where she delivered her supplies and then proceeded to her port.

Out of the same place the German consul, his assistants, two of them, von Shaick and von Brinken, and numerous others, were engaged in a conspiracy, together with men in New York and Chicago to set on foot a revolution in India. They prepared a schooner, the *Annie Larsen*, and the steamer *Maverick*. The *Annie Larsen* carried the arms and ammunition and the *Maverick* certain Hindus and men who were to take part in the expedition. They never met for some reason. They missed their connecting point, which was off some island off the coast of Mexico, and the *Annie Larsen* returned to this country, where her arms and ammunition were seized and later sold by the Government.

The expedition came to naught; but growing out of it the German consul, Bopp, his assistant, von Shaick, a very prominent Hindu named Ram Chandra, a member of the so-called committee appointed to handle Indian affairs, with whom the German Government dealt indirectly, and concerning whose organization Zimmerman communicated with Bernstorff over here and kept these people informed as to just what was going on, were all convicted. I think there were 30 men finally tried, and 29 convicted to 1 acquitted. It was a very sensational trial, which ended by one of the Hindu defendants killing another and the marshal killing the man who killed the Hindu.

Then at San Francisco was also the plot in which Bopp and others were involved—Crowley, a man named Smith, and a woman who was Crowley's secretary—to interfere with the shipment of munitions to Russia and elsewhere. Their plans involved an attempt to destroy the Grand Trunk tunnel, I think it is—

Senator NELSON. The Canadian Pacific tunnel, I think.

Mr. O'BRIAN. Up in British Columbia.

Mr. BIELASKI. The Grand Trunk, at Port Huron, just across the border.

Also an alleged plan to destroy steam railroad facilities up in British Columbia. But they were also trying to prevent the shipment of horses, or interfere with it, and matters of that kind; and they were convicted, likewise, and are serving their terms.

Albert Kaltschmidt, of Detroit, was furnished funds by von Papen, and entered into a plan to destroy certain munition factories, and railroad bridges of the Canadian Railway Co., and to send into Canada spies to obtain information. The defendants were indicted, and five of them were convicted and one was acquitted. That was at Detroit.

Senator NELSON. That was a plan to destroy munition factories and bridges over in Canada.

Mr. BIELASKI. Yes. They were indicted under section 13 of the Penal Code, which prohibits the setting on foot in this country of military enterprises directed against a nation with which we are at peace.

Senator NELSON. Yes.

Mr. BIELASKI. In connection with this Hindu plot, of which I have told you, there was an indictment or two returned in Chicago against this man Jacobsen, who was one of the leaders of the American Embargo Conference, and certain of his associates. I do not recall their names just now, but they were convicted there, and Jacobsen was also one of those convicted at Detroit in this other scheme.

Robert Fay, Walter Scholz, and Paul Dasche were convicted and sentenced to the penitentiary, and three others are under indictment for conspiracy to prepare bombs and attach them to allied ships leaving New York Harbor. Fay finally escaped and went to Spain, where he was induced by the Consular Service and the Naval Intelligence Service to return to this country, and is now in prison.

It is interesting to note that Rintelen was introduced to Fay by Capt. von Papen, showing that the diplomatic representative of Germany was in close touch with everything of that kind that went on here.

Senator NELSON. And a part of what entered into the composition of these bombs was manufactured on board these German interned ships, was it?

Mr. BIELASKI. No, sir; not these bombs. In the fire-bomb case, the containers were manufactured on the *Vaterland*. That was another story.

Senator OVERMAN. Have you evidence as to where these bombs were manufactured?

Mr. BIELASKI. Yes. They had not gotten to the absolute point of completion yet. They were testing out various experiments at the time they were arrested. These other bombs of which you make mention were under the direction of Capt. Von Papen and Von Igel. Dr. Walter T. Scheele, Capt. Von Kleist, Capt. Wolpert, and Capt. Bode, of the Hamburg-American Line, manufactured these incendiary bombs. The containers were made on the *Vaterland*, and taken ashore to an office maintained by Scheele under the name of the Agricultural Mechanical Co., I think. There, a substance of one kind was put in one part of the bomb, and an acid in the other; and

Dr. Scheele had so experimented that he could tell by the thickness of the partition put in exactly how long it would be before the acid would eat its way through the tin and cause a tremendously hot fire. Capt. von. Papen financed that proposition, and Rintelen directed it, and numbers of those men have been convicted. Rintelen was also convicted in that matter.

Another operation of Scheele's, of the same kind, was the preparation of what was called fertilizer for shipment intended for Germany. It was actually a form of oil, heavy oil, lubricating oil, which was very much needed in Germany. By some chemical means he made it up so that it looked like fertilizer, and he shipped it, intended to reach Germany, on the steamship *Esrom* particularly, and other ships, where by a treatment which he had outlined the oil could be brought forth. It is my recollection that the chemists said it was 80 per cent oil, or something like that. The largest shipment was captured by the British, and taken.

Labor's National Peace Council I have already told you about. That was in the nature of propaganda; though its purpose, of course, was to bring about strikes and prevent the shipment of arms and munitions. Rintelen and Lamar and Martin were convicted in that prosecution, which took the form of a conspiracy to violate the Sherman antitrust act, I think.

Senator NELSON. Was there not an attempt to get up a strike among the longshoremen?

Mr. BIELASKI. Yes, sir.

Senator NELSON. At Hoboken and New York Harbor?

Mr. BIELASKI. Yes, sir; there was, but the proof as to the direction and financing of that by the Germans was never absolutely clear, although we have no doubt that morally they were responsible for it. No prosecution resulted in that case.

Senator NELSON. The strike was a failure, was it not? It did not succeed?

Mr. BIELASKI. It did not come off.

Senator NELSON. I understood that Mr. Gompers had a good deal to do with preventing it. Do you know anything about that?

Mr. BIELASKI. I do not know about that particular case; no, sir. I think if it were not for the fact that the statute of limitations has run, we might now, possibly, with the information we have, have made a case out of that; but the statute has long since run.

Scheele and a man named Steinberg, and Von Igel, etc., are under indictment for having shipped this fertilizer, misbranded or mislabeled, falsely manifested; but they have not been tried.

Paul Koenig, who was the head of the Hamburg-American Line's secret investigators, entered the employ of the German Government very shortly after the war began, and served as head of their secret agency in New York City, working for Albert, Boy-Ed, Von Papen, and the German consul and the Austro-Hungarian consul, and maintaining quite a force of men. Among other things that he was sent to do was to look over the Welland Canal, and to procure plans of it, the Government maintaining it as a part of a military plan to destroy that canal. There were two distinct attempts at the Welland Canal, that one headed by Koenig, and the one headed by Von der Goltz and his associates. Koenig is interned, and has not yet been tried. It

also sent into Canada spies for the Germans, to obtain military information; and for that he is also under indictment.

Senator STERLING. Mr. Bielaski, are these persons who are under indictment out on bail?

Mr. BIELASKI. Not if they are Germans. Those who were Germans were, of course, interned. There are two or three men, I think, still out on bail, who are American citizens. In the Fay bomb case, the court granted a severance, and only permitted us to try a few of them at one time. Of the others who were not tried, when war broke out or shortly thereafter two of them were interned; and one of them, an American citizen, I think, is still out, although I am not sure as to that; but wherever there was a German or an Austrian under indictment, he was interned.

Gustave Stahl was the man whom we familiarly termed the "*Lusitania liar*." He is the fellow that was led to make an affidavit that the *Lusitania* was armed, that he went on board and saw the guns, and lifted up the covers, and all that sort of thing. He was secreted for a while by the Germans in New York, the active work being done by Koenig and his men, but finally surrendered. He testified before the grand jury that he had seen all of these things on the *Lusitania*, then was indicted for perjury, and served 18 months in the Atlanta Penitentiary. He is also interned.

Max Jaeger and five others were convicted of endeavoring to ship, under false manifests, in violation of law, rubber to Germany.

Capt. Thierichens, of the interned ship *Prince Eitel Friedrich*, was indicted for a conspiracy to bring on shore 19 chronometers of considerable value. His boat captured a great many vessels, and they smuggled these chronometers on shore without regard to the customs duties of this country.

Senator NELSON. That was the Philadelphia case?

Mr. BIELASKI. That was at Philadelphia. The captain was also a very vile character morally, and he was indicted for violating the white-slave traffic act and for sending obscene letters through the mails. He was convicted on, I think, two out of three charges; I am not quite sure which ones.

Mr. O'Brian reminds me that he was acquitted on the smuggling charge, and convicted on the other two charges.

There were convicted and indicted in these fire-bomb cases a great many other than those people I have mentioned by name, but they were all parties to the same plan.

Mr. O'BRIAN. They were all convicted, were they not, Mr. Bielaski?

Mr. BIELASKI. Yes, sir.

Senator NELSON. Do you know anything about strike or bomb plots in factories and munition plants?

Mr. BIELASKI. No; very little, if anything. During the period of our neutrality I do not think there were any cases developed for criminal prosecution. That sort of thing would have been extremely difficult to have prosecuted under the Federal law at that time. Since that time, of course, the sabotage act makes it possible for us to reach isolated attempts. I suppose the only way that a prosecution could have been had of things of that sort before the war would have been for a conspiracy to interfere with interstate commerce under the Sherman Act, or something of that sort, which would have been very involved.

Senator NELSON. It was under that act that Martin was convicted. was it not?

Mr. BIELASKI. Yes. It was rather an involved theory, though, to adapt the antitrust act to things of that kind.

Three defendants, two named Olsen and one named Friedland, were convicted in New York City for having endeavored to ship nickel out of this country without properly manifesting it. Nickel was one of the things badly needed in Germany. Another crowd were also indicted and convicted for endeavoring to ship rubber to Germany. The case was headed "United States v. Joseph Newman and others."

Senator OVERMAN. Was there any evidence of any efforts to injure our airplanes in the process of manufacture?

Mr. BIELASKI. Of course, before the war I think our airplanes were rather scarce, Senator. There were some attempts to injure them after the war started, and there have been some indictments under the sabotage act; but it is not fair to charge those things up against the German Government, because there was no proof of anything of that kind, and it is much more likely they were the individual acts of either careless or of ill-disposed workmen.

Senator KING. Under the word "ill-disposed" you might embrace those who were hostile to our country and favorable to Germany?

Mr. BIELASKI. Yes, sir.

Mr. O'BRIAN. There have been only about 15 complaints presented for prosecution thus far under the sabotage act. The amount of damage done to airplanes apparently has been somewhat exaggerated in people's minds.

Senator NELSON. Have you any sabotage cases?

Mr. BIELASKI. Of course, only since the act was passed. We do not know just how much sabotage there was in the plants making stuff for the allied Governments, because it really was not a Federal offense in any way, and it was something with which we could hardly concern ourselves or spend any money without getting beyond the scope of the authority we had.

Senator NELSON. I see.

Mr. BIELASKI. Without naming them, the members of the crew of the German steamship *Liebenfels* were tried at Charleston, S. C., and convicted of sinking the steamship in the navigable channel. They were sentenced to serve a year in the penitentiary. When they thought that we possibly were going to take over the interned boats they sank this boat in the channel in such a way as to interfere with navigation. They were all convicted, as was the captain and a newspaper man named Wierse. They were convicted and sent to the Atlanta Penitentiary also.

Senator OVERMAN. That was a remarkably light sentence, when you consider how they punished our soldiers for violation of the act.

Mr. BIELASKI. The trouble with the sentences was the trouble with the law. I think they got the maximum that could be imposed. At that time two years was the maximum for a conspiracy to violate any law of the United States. That has been changed under the espionage act.

Rintelen and Andrew D. Meloy are under indictment in New York for conspiracy to obtain a passport for Rintelen—an American passport. That has not been tried yet, for good reasons.

There was another case for conspiracy to get rubber to Germany, entitled "United States v. Soloman," in which the defendants were convicted.

I think that is a brief summary of the important cases.

Senator OVERMAN. Most of them were inspired by Von Papen and Boy-Ed?

Mr. BIELASKI. Practically all of the principal and important cases, the larger attempts, were inspired and financed and directed by some official representative of Germany.

Capt. Lester suggests that some mention should be made of the Capt. Sternberg or Steinberg who came over here with Rintelen. He endeavored to bring, and brought for the purpose, germs—tetanus germs—intended to inoculate horses and that sort of thing. The germs died on his hands before he was ready to use them, and they could not be revived. He was under indictment in New York, but went back to Germany before he could be apprehended; in fact, before his indictment.

Senator NELSON. Was he sent over by the German authorities?

Mr. BIELASKI. Oh, unquestionably. He came at the time Rintelen did, and was recognized here as having been sent over by the German authorities.

Senator NELSON. He came over with germs to infect our horses?

Mr. BIELASKI. Yes, sir; that is, horses going from here, intended for the use of the allied Governments.

I think that completes all of the general cases of which I have any recollection.

Maj. HUMES. Mr. Bielaski, I do not remember that you have included in your statement the "Friends of Peace."

Mr. BIELASKI. No; I did not bring down that file.

Maj. HUMES. We have a file that possibly you can use to refresh your recollection.

Senator OVERMAN. Mr. Bielaski, suppose you bring that up in the morning. I think it will be time to adjourn in a few minutes.

Mr. BIELASKI. Senator, that is a relatively unimportant file, anyway. It was simply an organization cooperating with these fellows in propaganda.

Capt. LESTER (producing papers). There is all there is of it. That is their first mass meeting, and the names of the organizers.

Mr. BIELASKI. It was a sort of conglomeration of representatives from the pro-German and Irish societies gotten together. It was not of great consequence.

Mr. Chairman, this completes all the testimony I have to offer, unless you have specific matters or other things.

Senator OVERMAN. Have the committee any questions to ask?

Maj. HUMES. Gentlemen, there have been so many things brought up in connection with Mr. Bielaski's testimony that it is almost impossible to know just where to start without going over the testimony to some extent, and without ascertaining something from the committee as to which of the ramifications of these different enterprises the committee desires to go into. I was hopeful that at the conclusion of Mr. Bielaski's testimony there would be an executive session of the committee, so that a more definite understanding could be arrived at as to just what ramifications the committee might be interested in.

Senator OVERMAN. We will have an executive session right now.

(Thereupon, at 4.35 p. m., the subcommittee went into executive session, after which it adjourned until to-morrow, Tuesday, December 10, 1918, at 10 o'clock a. m.)

(The telegrams referred to in this day's proceedings as "the Palm Beach telegrams," pursuant to the order of the committee are here printed in full in the record as follows:)

[Telegram.]

2-21-17.

TO PHILIP FRANCIS,

N. Y. American, N. Y. City.

There should be a vigorous attack on the espionage bill. Note that Senator Cummins says "the measure is the most stringent and drastic ever proposed to curb a free people in time of peace or war. The Government would have absolute power in war-time to suppress newspapers and prevent debate in Congress. It might even be held a criminal offence for two citizens to discuss with each other questions of military policy. Under such a law the agitation would never have taken place in England which led to the assumption of the Premiership by Lloyd George"—unquote

In other words under such a law the defects in the management of public affairs could not be discussed, could not be presented to the public, and the people unaware of the facts, would be unable to correct them.

The Democratic party seems to forget that this is a republic in which the people govern, and in which full information is essential to intelligent government.

In fact this Democratic Congress seems to be about the most undemocratic institution in the United States. It has passed the literacy test immigration bill and is doing its best to suppress free speech and a free press. It would be a remarkable thing if the only hope of Democracy in this country should lie in the Republican Party.

W. R. HEARST.

84J R 29 7X

BERLIN VIA SAYVILLE NY FEB 22 1917
VIA J NEW YORK NY Feb 22 1917.

WILLIAM RANDOLPH HEARST

The Breakers Palm Beach

Since rupture relations Reuters misrepresentations more than ever uncontrollable kindly cable brief statement precise situation opinions leading American circles many thanks beforehand

VOSSISCHE ZEITUNG ULLSTEINHAU BERLIN
401 P.

92 JSB 51 Blue Bexa

J NEW YORK 1007 AM Feb 23 1917

Hon. WM. R. HEARST

Breakers PB FLO

Thank you for your noble work on behalf of peace people want no war against Germany England arch enemy of United States country not prepared for war let us prepare embargo on munitions and foodstuffs no additional powers to President disaster will follow war

UNIVERSAL LEAGUE OF PEACE
THEODORE PINTER PRESIDENT
C C WHONING Secty San Francisco
522 P.

[Telegram Rush.]

HOTEL BREAKERS, PALM BEACH FLA
February 24, 1917

SHIBER, *New York American, New York City*

Please cable following Hale in Berlin—WILLICOMBE.

I firmly believe that the vast majority of the people of the United States are entirely undesirous of war with Germany. I believe also that the people of Germany are equally undesirous of war with the United States.

Under such circumstances, I cannot see why the century-old friendship of the United States and Germany cannot be maintained and perpetuated by the high-minded and humanitarian rulers and political leaders of our respective countries.

We in America have just celebrated the anniversary of Washington's birthday and this should remind us that the friendship of Germany and the United States was inaugurated by Washington and Frederick the Great, two of the ablest, and wisest, and most far-seeing statesmen that any nations have possessed in the history of the world.

May the statesmen of our respective countries today heed the advice and follow the footsteps of those two great leaders of men and builders of nations.

The course of my newspapers has been fair to Germany not because I am pro-German any more than I am pro-ally. I am merely patriotically interested in the welfare of my own country and altruistically interested in the progress of the world.

I am sure the United States will value in the future the consistent friendship of Germany as it has valued it in the past and I think that most Americans realize that Germany, like France, represents in Europe a political, social and economic progress similar to our own.

Americans from childhood have been taught to regard both Germany and France as their proven friends. We therefore deeply deplore the war between these great nations which have contributed so much to the progress and civilization of the world, and we earnestly desire to employ the influence of our country not for the extension and protraction of the war but for the promotion of a just and lasting peace.

WILLIAM RANDOLPH HEARST

8 51 pm 2/24/17

CARVALHO AMERICAN *New York*

Dont you think we should print in New York the dispatch from Vossische Zeitung which query read as follows

I note since rupture relations Reuters misrepresentations more than ever uncontrollable. Kindly cable brief statement precise situation unquote My reply in New York

HEARST

[Telegram.]

402 JSB DH CO

WB PALMBEACH FLO Feb 24 1917

M. H. LUFF
PB

Ymd the special certainly is for publication both in New York and Berlin and Mr Hearst so desires it to go as press rate

R LANFORD LEE
822P

[Telegram.]

2/24/17

Mr. LEE
Breakers, Palm Beach, Fla.

We make check full rate and Signed Hearst press rate only applies to matter for publication Please see that only matter for publication is sent from there at press rates.

MHL

PB Please double for very large ———.

NY

[Day letter.]

FEBRUARY 25, 1917.

F. W. KELLOGG,
Washington Bureau of New York American, Post Bdg., Washington, D. C.
When I inscribed the watchword "An American Paper for the American People," over the titles of my newspapers, I meant just what that motto said.

I will not supplicate England for news or for print paper or for permission to issue. I will not allow my papers to be edited in the smallest degree by any foreign Power. I would shut down every publication I have first and I don't intend to shut them down.

In fact, the more foreign Powers endeavor to interfere in America's domestic matters, and the more these foreign Powers try to control our American institutions, particularly our free press, the more necessary it seems to me that American papers for the American people shall continue to be published.

I will just add the verses of the Star Spangled Banner to my editorial mottoes and like that free flag continue to wave.

HEARST.

[Telegram Rush.]

FEBRUARY 25, 1917.

S. S. CARVALHO, *New York American, New York City*

Please keep standing in American across top of the editorial page the verses of the Star Spangled Banner as originally written. Please keep standing in the evening papers the verses printed in American reproduced from Harper's Weekly during Civil War and referring to shipment of arms by England to the South.

HEARST.

[Telegram.]

FEB. 25, 1917.

To S. S. CARVALHO,
N. Y. American, N. Y. City.

Use Star Spangled Banner in all morning papers. Do not print Vossische Zeitung message.

HEARST.

[Day letter.]

FEBRUARY 25, 1917.

PHILIP FRANCIS,
New York American, New York City.

Please make editorial advocating embargo for American along your own lines. Also kindly make one for Evening Journal amplifying and improving following suggestions:

America is not only being starved for the benefit of warring Europe but it is being plundered of its wealth as well.

We are sending abroad genuine wealth, the wealth of our mines and our mills, the wealth of our farms and our factories, the natural resources which God has given us for our development. We are receiving in return counters, media of exchange, which may become comparatively worthless, and promises to pay which may never be redeemed. Of what use are the I. O. U.'s of a bankrupt?

Uncle Sam is being gold-bricked. He is being sold a satchel full of green goods in return for his genuine and hard-earned property.

We are revelling in mock prosperity and will all wake up some fine morning and find the sheriff at our doors.

And why are we wasting our wealth? If it were for some noble purpose, we could afford to go poor for a generation and find comfort and consolation in a worthy deed. But no—we are wasting our wealth to continue a carnival of murder, to prolong an era of overwhelming disaster, to encourage the destruction of the white race, to tear down the achievements of civilization which have taken ages to construct, to repudiate religion and violate all established standards of decency, morality and righteousness, to prostitute the progress of the world to the meanest and basest and vilest of purposes.

If we persist in doing this we will reserve the heavy penalty which will surely fall upon us. Let us end these shipments of food and ammunition and money to the warring nations of Europe for their sakes and for ours. Let us preserve our property and our self-respect. Let us end the war and the wastage of war, and the woe which the war is wreaking. Let us feed our own people, build up our own country, conserve our own resources. America first and forever.

HEARST

[Day letter.]

FEB 25 1917

S S CARVALHO N Y American N Y City

Dont you think the Francis editorial and declaration to Congress of the sentiment and will of the great majority of the people of the United States should be mailed to every Member of Congress?

Two—I believe it would be a very big thing for all our papers to conduct a referendum peace vote in an election district in each one of our cities and in another district in each one of our States. The New York American would take a district in the city and a district up State. The Boston American would do the same in Massachusetts, the Atlanta Georgian in Georgia the Chicago Examiner the same in Illinois.

In California the San Francisco Examiner could take one district and the Los Angeles Examiner another in this way we would get a Nationwide expression of opinion. The expression of every voter in the district ought to be secured even if he has to be visited personally and made to put his sentiments in writing on a card. I think we should start this at once.

HEARST

111J R 44 BLUE

J NEW YORK 326 P Feb 26 1917

J W WILLECOMBE

The Breakers Palmbeach Flo

Tuckerton wireless station advises that owing to congestion Mr Hearsts message of twenty fourth to Hale will be delayed three or four days as message was sent to wireless station Saturday it ought to reach Berlin Tuesday or Wednesday night delay via Sayville indefinite.

W N SHIBER 513-P

103J R 83

J NEW YORK 425P Feb 26 1917

W R HEARST

Palm Beach Flo

Earnestly urge immediate action to check or stop Hale dispatches They come by wireless and surely are picked up Despite your well known attitude of neutrality these dispatches are so worded as to permit the interpretation that Berlin is dictating our policy I fear we are drifting into a situation akin to the false McKinley one only accentuated many fold With profound respect I urge we check Hale and all agencies that tend to throw discredit upon our declared attitude of sturdy Americanism

VAN HAM
436 P

[Telegram.]

FEB. 26. 1917.

R. C. MITCHELL,

N. Y. American, N. Y. City.

Please make strenuous effort to kill the long cable to Hale sent by Chief on twenty-fourth, which Shiber says is held up by rush of wireless. See Shiber's telegram to me to-day and thank him. Wire me when it is killed.

J. WILLECOMBE.
8 35 p m

519JBC 58 NL

SAN FRANCISCO CALIF Feb 26 1917

WM RANDOLPH HEARST

Palm Beach Fla

The Irish people of San Francisco assembled in St Patricks Day convention of 1917 have instructed me as chairman of the convention resolutions committee to express to you their appreciation of the attitude of staunch Americanism you have shown in the present crisis and to thank you for your fairness in treating of Irelands rights of freedom.

LAUBENCE S OTOOLE
1252 A

1610, BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

97J R 106

J NEW YORK 434 P Feb 26 1917

W R HEARST

The Breakers Palmbeach Fla

Cannot find Harpers Weekly Poem in America found one reproduced in Fatherland from Harpers Weekly 1863 attacking England for sending arms etc therefore in consequence of sinking of *Laconia* today with Americans aboard and President Wilson's address before Congress urge that we not use this poem if it is the one you mean as under present conditions it is bound to hurt papers bulk of public believes country is on verge of war with Germany and this poem prominently displayed will be regarded as our taking Germanys side Star Spangled Banner is being run top of column morning Editorial Referendum canvass under way

CARVALHO 406 P

[Telegram.]

FEB 26 1917

S S CARVALHO N Y American N Y City

Why not run the red white and blue title that we had for last edition through all editions for a few days during these troublous times? I think it will meet popular sentiment. Also please run little American flags to right and left of date lines on inside pages like the Chicago Herald. Our editorials should be patriotic without slightest criticism direct or indirect of administration. I guess Germany is going to sink every ship that tries to run the submarine blockade and this means three things—first that we will get into the war; second that England will be starved into submission in less than six months third that Germany will then have time to devote to us and this country will soon be in a condition similar to warring European countries. We must prepare in every way. Can we say these things editorially

HEARST

[Telegram.]

NS 852p

FEB 27 1917

ARTHUR BRISBANE

Hotel Alcazar St Augustine Fla

Don't you think better advocate commandeering ammunition plants and cold storage food plants as steps preliminary to war? Say of course these plants will be taken over by Government as soon as war begins and better take them now and begin organizing them as part of Government service.

HEARST

B28J BC Paid NPR

J NEW YORK Feb 28 1917

W R HEARST

Palm Beach Fla

The following is a copy of the instructions as sent by Dr Alfred Zimmermann German foreign secretary to German Minister Voneckhrdt in Mexico through von Bernstorff now in possession of the United States Government quote Berlin January 19, 1917. On the first of Feby we intend to begin submarine warfare unrestricted; in spite of this, it is our intention to endeavor to keep neutral the U States of America. If this attempt is not successful we propose an alliance on the following basis with Mexico. That we shall make war together and together make peace. We shall give general financial support and it is understood that Mexico is to reconquer the lost territory in New Mexico, Texas and Arizona. The details are left to you for settlement. You are instructed to inform the President of Mexico of the above in the greatest confidence as soon as it is certain that there will be an outbreak of war with the United States and suggest that President of Mexico on his own initiative should communicate with Japan suggesting adherence at once to this plan. At the same time offer to mediate between Germany and Japan. Please call to the attention of the President of Mexico that the employment of ruthless submarine warfare now promises to compel England to make peace in a few months.

(Signed)

ZIMMERMANN end quote

VAN HAMM 1220 AM

116J XN 8 1

J NEW YORK NY 1155 AM March 1 1917.

W R HEARST

The Breakers Palm Beach Fla

Senator Swann of Virginia announced in Senate this morning that he was authorized by the President to state that the Zimmerman note to Mexico was textually correct. Lansing made same announcement from State Dep't. Japanese ambassador authoritatively announced that Japan would spurn such proposition. No official information from Mexico. Will you outline such editorial as you want printed. Francis is away sick. Will be gone week or ten days. Owing to lateness of news no paper made editorial comment this morning.

CARVALHO
1141 AM

63 J BC 249 count punctuations fourteen and 13 extra

v NEW YORK NY 115pm March 1, 1917..

Mr WILLIAM RANDOLPH HEARST

Palm Beach Fla

Another Meyer-Gerhard hoax. The alleged letter of Alfred Zimmerman published today is obviously faked; it is impossible to believe that the German foreign secretary would place his name under such a preposterous document. The letter is unquestionably a brazen forgery planted by British agents to stampede us into an alliance and to justify violations of the Monroe doctrine by Great Britain. This impudent hoax is made public simultaneously with frantic appeals of allied premiers enjoining the United States to enter the war. If Germany were plotting against us she would hardly adopt so clumsy a method. The real politician of the Wilhelmstrasse would never offer an alliance based on such ludicrous propositions as the conquest by Mexico of American territory. The creaking of the machinery of the British propaganda is clearly perceptible; the intention is of course to arouse the war spirit of the peace loving west and to overwhelm the pacifists in every part of the country. The entire story reads like a dime novel concocted by our guest Sir Gilbert Parker. Great Britain's chief propagandists in cooperation with R Phillips Oppenheim. Despite the insidious work of various imaginary artists in the pay of Great Britain we have still retained our common sense. We can still differentiate between fiction and fact. The American people are willing to be thrilled but refuse to be humbugged.

GEORGE SYLVESTER VIERECK
Editor of Vierecks Weekly formerly the Fatherland
1123 Broadway New York City
143 P. M

[Telegram.]

3-2-17

S. S. CARVALHO

N Y AM N Y City

Will take care of letter. Filing long message from chief.

WILLICOME.

[Telegram.]

MARCH 2, 1917.

S. S. CARVALHO.

New York American, New York City.

Agree with Francis Zimmermann note all probability absolute fake and forgery, prepared by a very unscrupulous Attorney General's very unscrupulous department. Everybody knows that the secret police are the most conscienceless manufacturers of forged evidence in the world. The ordinary police are bad enough with their trumped up evidence and railroading methods but the federal agents with the Government back of them and more or less immune from punishment are the most reckless concocters of evidence and framers of jobs in the world.

Gregory's whole career in office as Francis showed in recent editorial has been as a spy fancier and plot conceiver. He has not been bound by morals, facts or the Constitution. He has employed the secret service to enforce England's unlawful orders. He has attempted to put a bill through Congress to make any criticism of his acts or of the President's acts or of any political move or measure treasonable and punishable as such.

He is possibly violently pro-British. He is surely violently pro-corporation. He is located where he can do the corporations the most good and he has been unwilling to be removed or they have been unwilling to have him removed even for a position on the Supreme bench. He and Burleson are House's appointments and House has been a corporation lobbyist all his life.

Gregory and Burleson are so crooked that, as Alfred Henry Lewis used to say, one of them could lie in bed on top of the Woolworth Building and the other on the ground floor and look down and up forty-seven flights of winding stairs into each other's eyes and understand each other perfectly.

The object of the Zimmerman forgery was to frighten Congress into giving the President the powers that he demanded and perhaps also into passing the espionage bill. When Wilson wanted to give away the rights of the United States in the Panama Canal he pretended that he had private information of a dangerous international situation sufficient to justify his acts. He has never revealed his private information and no one now believes that he ever had any.

He could not repeat this false claim on this occasion so a complaisant Cabinet officer this time undertook to manufacture sufficient false evidence to enable Wilson to have his way. It is possible that the British secret service co-operated in those plans. The only serious consequence is that the whole people of this country, ninety per cent of whom do not want war, may be projected into war because of these misrepresentations and those forged documents, if they are forged.

I believe in war if the people want war. They have to do the fighting. They ought to do the deciding. I believe in first a referendum to the people and second, failing that, a decision by the people's representatives on Congress assembled.

We are getting very far away from democracy and very close to autocracy when we repose all the power of the people and all the power of the people's representatives in the hands of one man whom we thereby create a dictator.

It may be the right thing to do but Rome in so doing drifted from a republic into an empire.

I think the United States should remain a republic in fact as well as in name and that the people should neither be deceived by the machinations of a tricky Attorney General nor deprived of their rights to decide a question of war or any other momentous question. I do not believe that any other individual has an interest in such questions equal to the interest of the great mass of the public and I do not believe that the wisdom of any individual is equal to the collective wisdom of the people.

If we do not want to say all this editorially, we can say part of it editorially, and get someone to stand for interview as Hale used to do to bring all these points out, especially those about the probable forgery of the note. We should develop the forgery phase of the note for the Sunday paper if Francis and I seem to be right.

DOCTOR

[Telegram.]

SNY B C 14 Paid

J NEW YORK 601 PM Mar. 2, 1917.

MANAGER

Palm Beach Fla

Have you any more editorial matter in sight from Mr Hearst to Mr Carvalho

NY AMN

5:19 PM

3-2-17

Filed 5:40 PM.

NEW YORK AMERICAN

New York, N Y

Nothing more in sight from Mr. Hearst for Mr. Carvalho

W. U. TEL Co.

[Telegram.]

Filing Time 2:52 P

C E H
Jax Flo

Have approximately 2,000 words in telegrams for N. Y. American. Can you name us a New York Ckt please

PALM BEACH
Mar 2/17.

298 Jxn
PB

How one man

J A Jax 3/2 4:32 p.

5 NY BC
PB Fla

Undld yd Oreilly NY Sun NewYork SGD Hearst unknown GBA

To Desk 32 SVC NY Mar 2 512 PM

Sys ours date since Hearst is today Oreilly. N.Y. American New York.

PALM BEACH (Illegible)

[Telegram.]

12.20 P. M.
March 3, 1917.

S S CARVALHO NY American NY City

If situation quiets down please remove color flags from first page and little flags from inside pages, reserving these for special occasions of a warlike or patriotic kind. I think they have been good for this week, giving us a very American character and probably helping sell papers, but to continue effective they should be reserved for occasions.

HEARST.

1224 P

[Day Press Rates Collect.]

MARCH 3 1917

S S CARVALHO NY American NY City

I feel Congress should remain in continual session and protect the people's liberties. This making a dictator of President desperately dangerous precedent. It may do no immediate harm with a good President but it may do immense injury with some bad one. Augustus Rome's first Emperor was good man but Nero who acted under powers and precedents allowed Augustus was fearfully bad one. Eternal vigilance is price of liberty. Wilson is federalist as I wrote in first year of his term and as Francis showed in alien and sedition editorial. The federalists are autocratic in tendency. Hamilton was accused of trying to make monarchy of our Government. Quote Monarchies are destroyed by poverty, republics by wealth unquote. It is easier to establish a virtual monarchy in the rich America of today than in the poor America of a hundred years ago. We shy at the name of King but we accept the spirit of absolutism. The Romans would have no king but they accepted an imperator with more power than any king and so lost their liberties. President of this Republic today has more power than any king in any constitutional monarchy in the world. If he gets more he will be a dictator and possibly a despot. It is the duty of true democrats to be vigilant especially as all these encroachments on popular rights are being made in the name of democracy.

HEARST.

[Telegram.]

MARCH 3 1917

S S CARVALHO NY American NY City

Mc Cay could make strong eight column cartoon occupying in depth two thirds editorial page, showing smaller figures Uncle Sam and Germany shaking

their fists at each other on left side page and on right side big head and shoulders of Japan with knife in hand leaning over into picture and evidently watching chance to strike Uncle Sam in back. Title of picture to be quote Watchful waiting unquote Subtitle quote Look out Uncle Sam your neighbor Japan is eagerly waiting an opportunity to strike you in the back unquote.

HEARST.

[Telegram.]

MARCH 4, 1917

S S CARVALHO N Y American N Y City

Think beneficial thing senate not to give President great powers demanded. If my telegram of yesterday explaining my opposition to such powers and advocacy of extra session was not printed in Sunday paper, please elaborate it somewhat and make it an editorial approving action of Senate. Speak very highly of Wilson, say he is good president and undoubtedly meant to use power for good purposes but the precedent is a dangerous one to establish and Senate did well to retain its powers and rights and protect the liberties of the people.

Say that the few Senators who voted to retain the rights and functions of that body constitute a roll of honor. They did not lack respect for President but they had a greater respect for the Institutions founded by the fathers. The day will come when their action will be commended by all the people. Print their names.

HEARST.

2 J BC Paid NPR and MSGR Charges paid

J NEW YORK NY Mar 4 1917

W R HEARST

Palmbeach Florida

Following editorial send by Mr Brisbane for use in Journal and Boston Chicago and Atlanta papers. It is wired to you for a release by orders of Mr Hastings.

Editor in charge Evening Journal St Augustine Fla March 4 following editorial is written under Mr Hearsts direction publish in all editions to-morrow send to Boston Chicago Atlanta by mail special delivery with a memorandum that Mr. Hearst requests its publication.

Editorial is to be doubled up across the editorial page set three column measure the box head to be put at top of the page. Centered across eight columns.

(Box head) If war comes this Government will (caps) commandeer ammunition plants and raw materials needed for war (end caps)

(Small type) An emergency that permits the Government to commandeer (caps) the lives (end caps) of citizens authorizes without question commandeering at cost ammunition plants and other material necessities. (End box)

(Set in type to fill not less than half the page) This country appears to be drifting against the will of an overwhelmingly majority of citizens into a state of war.

After nearly three years of neutrality, those who predicted "that we should get into the war sooner or later" believe that they see the fulfillment of their prophesy. War will mean spending thousands of millions—a great opportunity for those whose profession is to profit by the countrys misfortune

War will mean many things disagreeable and painful to contemplate many complications that the patriotic citizens would serve most earnestly to avoid

What the result will be, how far we shall go into war, to what extent we shall succeed in crippling ourselves financially as the European nations have done, nobody can say.

But one thing is certain.

The Government will take over and operate for itself, with no extortionate profit for anybody, all of the ammunition plants necessary for attack or defense.

And the nation will fix its own prices on raw materials needed in war, whether those raw materials be steel, copper, gunpowder, dynamite or alcohol

We shall learn from England and other European countries that a government which commandeers the lives of citizens in war time has also the right to commandeer the property of citizens.

As England has regulated the price of every dollars worth of raw material or manufactured material brought for the government, so the United States

will regulate every price, and spend every government dollar at a rate of profit to the seller that the government and not the seller will fix.

In war the young man earning five, ten, two or three dollars a day is taken from his profitable work. He is put into the army without asking consent. The nation says to him, I will pay you fifty cents a day, and take your life in the process if it should happen to be necessary.

The custom has been in the past to enroll the ordinary citizen, deprive of his employment, pay him a nominal sum, take his life if it is needed.

And the custom has been to give to the prosperous who make their profit out of war, an extortionate profit fixed by the extortioners themselves.

There will be none of that extortion, none of that robbery of the government based on its necessities if this war comes. In the event of war, and it is that the government will fix prices, take over the manufacturing plants of the raw material at its own valuation, as it takes the citizen and his life at government valuation.

The people fortunately have had a chance to discuss and think over this war in advance. It has not been sprung upon them suddenly.

The President with great wisdom has fought against it, and is still fighting against it.

There are men in both Houses of Congress who realize the nature of the forces that are trying to bring war upon the country.

All of these that oppose war are prepared for it if it must come and will show in the prosecution of it an energy even greater than that with which they have opposed war and its dreadful consequences.

The people have had time to think over the war. They have had to study and understand the forces, the interests, the selfishness, the professional war movement.

Having had time to think in their homes, and in the Congress that represents them, the people are thoroughly determined upon one thing. They do not intend that war which will plunge the nation into debt, disorganize the lives of citizens, interfere with this nation's possibilities of usefulness hereafter—they don't intend that, that condition, damaging to ninety nine percent of all the people, shall enrich a selfish few. The people of the United States have seen extortion practiced upon the people of Europe, condemned to pay to the ammunition makers of the United States any price demanded.

They have seen the makers of powder and dynamite, the manufacturers of killing machinery of all kinds, piling up their hundreds of millions of profit.

What has been done with other nations is the business of other nations.

But what is done in case war comes to this country will be the business of this country

When the time comes for the United States to ask for war materials or for manufactured engines of murder, our government will not ask the manufacturer, the producer, or the banking middleman how much are you going to charge your government, how much profit do you mean to get out of this war.

The government will say and it will mean I know what you have for sale. I know or I shall find out what it costs you to produce. I shall take what I need, I will run your factory myself, operate your mine or your plant myself if it seems to me advisable, and I will allow you on the actual cost such a profit as seems to me advisable.

There will be in the United States and the expense of the United States one of that orgy of graft and murder profit that has gone on thus far in the war.

The company which proudly tells its stockholders that it produces copper for six cents a pound and sells it for thirty-six cents a pound will not sell it to the United States government for thirty six cents a pound—but for six cents a pound plus a fair profit. The steel company that tells its stockholders how it has earned dividends of a hundred percent on a thousand millions of watered stock will not get a hundred per cent of profit from the government of the United States—but will get what the product costs, plus the average, reasonable percent of profit.

And what is more, the government prosecuting the war in the interest of the people, and not of private individuals, will act toward inanimate property as justly and impartially as it acts toward the living citizen.

The government that says on the one hand to the mother, I will take your son and send him to be killed, will hesitate to say to the maker of steel and ammunition or copper, will take your property, and use it as I see fit, and pay you as I think wise and just—and not as you decide.

The United States has the right to regulate prices. Don't forget that.

Within a few days, to the writer of this editorial, three members of the United States Cabinet, the three most influential, those that would have most to say, under the President, if war should come have said the same thing, and here is the substance of it.

The United States will not pay extravagant prices for war supplies. We have been making up tables of figures based on years past, we have had statements prepared as to the average prices during past years of steel, oil, copper, powder etc. "And if we get into this war and begin buying with American money we'll pay the average price for years past not the extortionate war prices that unfortunate Europe has had to pay.

"We have not been studying Europe and its methods in vain. We observe that England has commandeered raw material, and has paid what these raw materials cost plus a small reasonable profit.

"We shall not pay for raw products like steel, copper, coal and oil, two, three, seven, hundred and thousand percent profit. We shall pay a fair profit, no more." The government will not ask what will you charge? The government will say you have so and so and we know it.

"We want it and this is what we will pay you for it."

If those interested doubt that this quotation is given accurately, if they question that the three most important members of the Cabinet speaking under the President, who, of course, can not be quoted, said exactly what is printed here let them go to Washington and inform themselves.

They will find in the President a careworn, overburdened, but determined man. He does not intend to have the gambling hopes of any industrial king forced war upon this Nation of which he is the head. The industrial "Patriot" who through newspaper control or ownership of Congressmen seeks to force the President's hand, will find that hand a heavy and a tight hand when it comes to paying out the money of the people.

If war comes almost everything will be uncertain, the total cost to the Government, the number of lives lost, the effect on shipping, the regulation of food prices, as in Europe, the extension to this country of the so-called socialist Government regulations prevailing in Europe—all of this at present uncertain.

But one thing fortunately is sure. The people are not in a mood to have any multimillionaires manufactured out of the country's misfortune, if war must come.

If the people's business must be disturbed, if the high prices of food must go still higher, if this Nation must be dragged into the war dance and pushed toward the verge of bankruptcy as other nations have been, the makers of ammunition, and sellers of raw materials of war shall not stand by and be the gainers while all others lose.

The People through their Government will see to it that everything is done fairly and justly, fair pay, as far as possible, for those that enlist and offer their lives, moderate pay with a fair moderate profit for those whose inanimate wealth in the shape of raw materials and manufactured ammunition may be necessary for carrying on the war. The Nation will take and operate ammunition plants if war comes, and fix their own price and moderate profit for all war materials purchased.

(BRISBANE) **Sig JOURNAL**
137 AM Mar 5

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, DECEMBER 10, 1918.

**UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.**

The subcommittee met at 10.45 o'clock a. m., in room No. 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Nelson, and Sterling.

Senator OVERMAN. The committee will come to order. Prof. Hart, we will hear you.

TESTIMONY OF PROF. ALBERT BUSHNELL HART.

(The witness was sworn by the chairman.)

Senator OVERMAN. I have a number of telegrams here that will be put into the record before we begin the examination of this witness. There is one from ex-Senator Root, reading as follows:

"Hon LEE S. OVERMAN

US Senate Washington, D. C.

I think I ought to say that Professor Albert Bushnell Hart to my own knowledge was strong and outspoken in his public and private opposition to Germany and in favor of asserting and maintaining American rights against Germany long before the United States entered the great war.

ELIHU ROOT."

I also have a similar telegram vouching for the patriotism and loyalty to the United States of Prof. Hart, from Henry L. West, reading as follows:—

DEC. 9, 1918.

"LEE S. OVERMAN

United States Senate Washington, D. C.

In December nineteen sixteen Albert Bushnell Hart was selected as Chairman of Committee on Patriotism through education of National Security League. His attitude at that time was and had been so thoroughly American as to appeal to the President of the League and led to his selection to take charge of our patriotic educational work. When this work grew to such proportions that it was necessary to secure services of someone who could devote his entire attention to it Prof. Hart relinquished his chairmanship but has since been associated with committee and has steadfastly labored to promote an American morale to win the war. His address at annual meeting of National Security League in May nineteen seventeen was heartily commended by late Joseph H. Choate who was present.

HENRY L. WEST."

Also another from Robert Erskine, New York, reading as follows:—

NEW YORK, N. Y. December 10, 1918.

Hon. LEE S. OVERMAN,

Senator from South Carolina Washington, D. C.

Professor Albert Bushnell Hart of Harvard University has been for years highly valued and respected lecturer before League for Political Education.

February sixteenth last he lectured on "No Royal Road to Peace" before great audience in Carnegie Hall. His position was that prosecution of war with utmost energy at all costs until decisive victory secured was only way to genuine peace. He denounced Germany in unmeasured terms. Any question concerning his attitude throughout war seems to us absolutely preposterous as all of our four thousand members who heard him lecture can testify. Our league is in its twenty fifth year, has been addressed by President Wilson, Taft, Roosevelt, Goethals, Gerard Van Dyke and others. A Barton Hepburn is President Board of Trustees.

ROBERT EBSKINE
Director 17 West 44th St. New York City.

Here is another one from Educational Director R. M. McElroy, New York, reading as follows:

1913 DEC 9 PM 3 47

Honorable LEE S. OVERMAN
United States Senate Washington DC

Albert Bushnell Hart has worked with me intimately in anti German propaganda for over a year and has done as much as any one of my acquaintance to create the public opinion necessary to victory. I wish to express my unqualified faith in his intense loyalty and devotion to America and the cause for which she fought

R M McELROY
Educational Director.

Another telegram from Boston, signed by John L. Bates, reads as follows:

BOSTON MASS 1918 Dec 10 AM 12

Senator OVERMAN
Chairman Washington D. C.

Have known Professor A B Hart well for last two years as member of Massachusetts Constitutional Convention, Never heard his patriotism questioned and never discovered anything in his speech or attitude that indicated any leaning toward Germany Think all his associates in Convention would endorse this statement

JOHN L BATES.

Here is one from A. C. McLaughlin, Chicago, Ill., saying:

I have known Professor Hart for years and consider charge of proGermanism absurd.

Also one from Prof. Charles W. Elliott, reading as follows:

Professor Hart of Harvard University has always been intensely loyal American.

I have also received, in addition to those read, the following telegrams:

Senator LEE S. OVERMAN
Washington D. C.

Professor Albert Bushnell Hart has addressed economic clubs of Boston and elsewhere at various times both before and during the war. Reports of his speeches furnish convincing proof of his loyalty and unadulterated Americanism. Referring to speech before our club on November twenty third nineteen fourteen at which Heinrich Albert then Privy Councillor German Ministry of the Interior also spoke Boston Journal next morning said "Professor Hart besides condemning Germany rushed to the defense of Belgium and criticised the violation of her neutrality speaking of the violation of Belgium Professor Hart said 'I do not understand Germanys Treachery'"

J W BEATSON
Secretary National Economic League.

BOSTON MASS 1918 Dec 10 AM

Senator OVERMAN

Senate Building Washington D C

Have been intimately associated with Professor A. B. Hart for nearly year frequently hearing him speak in public and private and regard him thoroughly loyal intensely patriotic and splendid example of self sacrificing American citizenship.

WILLIAM T SEDGWICK,
Chairman Mass. Division National Security League
Member Advisory Board U. S. Public Health Service.

BOSTON MASS 1918 Dec 10 AM

United States Senator OVERMAN

Washington, D. C.

Professor Hart was a member of the Massachusetts Constitutional Convention with me in Nineteen seventeen and nineteen eighteen He has frequently spoken on the public platform at political meetings with me since that time. I have always considered him an enthusiastic American and cannot conceive of any substantial ground for doubting his loyalty.

DAVID I WALSH.

SAN DIEGO CALIF 1918 Dec 10 AM

Senator LEE OVERMAN

Senate Office Bldg Washington D C

Am shocked at charge against Dr. Albert Bushnell Hart. Often discussed war with him before our entry and worked with him in security league and similar patriotic organizations and heard him often on public platform He always impressed me with his absolute loyalty and anti-German sentiments I am convinced beyond any possible doubt that charge is wholly false.

EL. J. HENNING.

PHILADELPHIA, PENN. Dec 9 PM 2 49

Senator LEE OVERMAN

Chairman Committee Washington DC

Having just learned that Albert Bushnell Hart is to appear before your Committee Tuesday to refute charges of pro Germanism we desire to state that such charges are preposterous. Professor Hart has had much to do with shaping the patriotic activities of the Loyal Order of Moose. These activities are known to the several Government Departments. We know that we voice the sentiments of our half million members when we pronounce these charges ridiculous

CHARLES A C MCGEE
Supreme Dictator.

JOHN W. FORD,
Chairman Executive Committee.

Now, Maj. Humes, will you please read that part of the testimony where Prof. Hart's name was brought in?

Maj. HUMES. I read from page 1725 of the typewritten transcript [page 1399 of this printed record] of the testimony of Mr. Bielaski as follows:

In Dr. Fuehr's papers there appeared, in addition to his note-book, which contained a number of items of interest, a list which was headed "Important list of names," and which contains many names which are familiar to us as having been active in favor of Germany. I can read the list, if you would like to hear them.

Senator NELSON. Yes; let us hear them.

Mr. BIELASKI. No. 1 is Prof. Wm. R. Shepherd, Columbia University, New York City, about which we yill have something more to say, I think.

Next, Prof. Hugo Muensterberg, Harvard University, Cambridge, Mass.

Prof. Wm. M. Sloane. Columbia University, New York City.

Dr. Edmund von Mach, Cambridge, Mass., who was a very active propagandist, about whom we have got some information.

Dr. Arthur Von Briesen, 25 Broad St., New York City.

Prof. John W. Burgess, Newport, R. I.

Prof. Eugen Smith, Columbia University, New York City.

Prof. Herbert C. Sanborn, Vanderbilt University, Nashville, Tenn.

Prof. James G. McDonald, of the University of Indiana.

Prof. Ferdinand Scheville, University of Chicago.

Mr. E. C. Richardson, Princeton University.

Prof. Kuno Franke, Harvard University. Prof. Franke was Dr. Albert's uncle, and helped him quite a bit in the preparation of his articles for the press, but after our entrance into the war was likewise the author of some very patriotic articles.

Prof. Geo. B. McClellan, Princeton University.

Prof. A. B. Faust, Cornell University.

Prof. Morris Jastrow, Jr., University of Wisconsin.

Senator WOLCOTT. Do you know what Prof. Faust was professor of?

Mr. BIELASKI. I do not, no, sir; not offhand.

Dr. Walter M. S. McNeill, Richmond, Va.

Prof. David Starr Jordan, Berkeley, Calif.

Hon. Peter S. Grosscup, United States Judge, Chicago, Ill.

Hon. Richard Bartholdt, St. Louis, Mo.

Prof. Bushnell Hart, Harvard University.

Dr. C. J. Hexamer, Philadelphia, Pa., President of the German-American Alliance.

Prof. Wm. P. Trent.

Hon. Charles Nagel, St. Louis, Mo.

Mr. Oswald Garrison Villard, New York Evening Post.

Mr. William Randolph Hearst, New York American.

Mr. Bernard Ridder, New York Staats-Zeitung.

Mr. Edward A. Rumely, New York Evening Mail, and interested in many other forms of German propaganda.

Mr. Frederick F. Schrader, 1493 Broadway, New York City, one of the editors of Mr. Viereck's paper, and a man who served for a time as Washington correspondent for Mr. Viereck, and the author of a number of pro-German pamphlets published by the Press Bureau.

Mr. Frank Harris, New York City, the Pearson man.

Mr. Rob. I. Ford, The Freeman's Journal, New York City.

Rev. Father Thierney, Americ Catholic Weekly, New York City.

Mr. Max A. Hein, 230 Riverside Drive, New York City. Mr. Hein was a very active propagandist, and I think is Mr. Viereck's father-in-law, or some way related to him.

George Sylvester Viereck, 1123 Broadway, New York City.

Senator OVERMAN. Read a little farther, about the other list.

Maj. HUMES (reading):

There was a supplemental list, but I do not think any of those names are especially important. They are not marked on this important list.

Senator NELSON. Are there any from Minnesota there?

Mr. BIELASKI. Minnesota seems to have escaped, Senator, as far as I can see.

Senator NELSON. I feel relieved. Have you got that supplemental list to which you referred?

Mr. BIELASKI. Yes.

Senator NELSON. Suppose you give it to the reporter to be put into the record.

Mr. BIELASKI. I will furnish you with a copy.

Senator OVERMAN. Prof. Hart, you asked me about those names that were referred to in the record and yet that were not mentioned on any "important list." Your name appeared with those that have just been read, and I have also read, now, certain telegrams into the record testifying to your loyalty and patriotism. You have requested to be heard, and we shall be glad to hear you. Professor, what position do you now hold?

Mr. HART. I am professor of government in Harvard University.

Senator OVERMAN. You may say anything that you have to say, and we shall be glad to hear you.

Mr. HART. Mr. Chairman, I very much appreciate the courtesy of the committee in giving me so prompt an opportunity to meet it, and further, I very much appreciate the efforts of this committee in bringing to light the secret actions of the German agents who were moneycombing the whole country. It is a public service, and I am especially pleased at having the opportunity, while this whole matter is fresh, to discuss the question of my name getting into such bad company.

It would have been a dreadful misfortune if this had happened after my death, and there had been nobody who was able to bring together the evidence which I shall lay before you upon that subject.

It would have been a hard thing for me if my children had ever had to bear it, that their father had been included in a list of pro-Germans while their country was at war, and that nothing had been done about it.

You observe, Mr. Chairman and gentlemen of the committee, that the statement that has just been read includes two things: First, a list of names in which mine is one. That is a matter of fact, and I am the last one to find any fault with its production. It was proper that it should be read, and should be put upon the record.

The second part is a statement by Mr. Bielaski of his judgment as to the general character of that list. I observe that the statement does not necessarily include every name upon the list. Upon some of those persons he expressed opinions as he went over them. Others he left without. But his opinion was that that was a list of persons friendly to the Germans, or at least presumed to be friendly by the man who made it. Furthermore, that it was a list of persons who, before the war some of them, or all of them, and some of them since the outbreak of the American war, had been upon the German side.

Mr. Chairman, that my name should be among a list of that kind is by accident, or with a purpose. I think perhaps I may be able to show what the purpose was, and perhaps through whom it came; an effort, probably, to put me down as a person who was to be approached; because, as I shall show you, I was approached; and I will also tell you what came of that affair.

The accusation touches me very deeply, because I think no one who has followed the magazine literature, the periodical literature, with regard to the war, can doubt that ever since the United States declared war upon Germany I have been an absolutely loyal citizen. I do not think it worth while to put forward any evidence or suggestion upon that point. It is not controverted. There is nothing in the testimony here that touches that point.

Therefore the only suspicion that can be attached refers to the period before the war broke out; that is, between August, 1914, when Germany brought on the war, and April, 1917, when Germany brought on a war, that time with the United States of America.

The point is simply this: During that whole period my activity was decidedly anti-German. If, therefore, the Germans in their secret councils in any way included me, that means, if it were provable, not only that I was pro-German but that I was a hypocrite from top to bottom and that while posing before the country as an opponent of the Germans I was actually in connection with them.

Let me take this opportunity, then, Mr. Chairman, to absolutely repel any statement that I at any time had any connection with any

agent of the German Government, public or secret. I never heard of this man Fuehr until I saw his name in the reports of your proceedings.

William Bayard Hale seems to have been connected on the day of this testimony. So far as I am aware, I never saw him or had any communication with him.

I never was aware that I was in correspondence with any person representing the German Government, and my record is absolutely clear. There are no private letters of mine anywhere in the world that disprove what I am now saying. My files are at the service of the committee. I have brought with me a file of my own publications on the war, which some time ago I got together. There are about 100 articles on the war, and they speak for themselves. I do not put them in evidence. There is too much of it.

I have brought also with me some files of my correspondence.

I have brought with me five books that during the war I have published, bearing on this general question, and I will leave copies of those books with the committee in order that you may see if this is in all my writings.

I am glad, therefore, Mr. Chairman, of this opportunity to clear my name. Of course it was not criminal for anybody to be pro-German after the war broke out, any more than to be pro-British. Of course our President admonished us to be neutral; a difficult thing, because everybody has his prejudices. That is, nobody can be put to the bar for believing that Germany would win the war, or hoping that Germany would win the war. I have known many honorable men, Mr. Chairman, American born, who thought so. I know an admiral in the Navy, one of the most patriotic men in the country, who predicted from the beginning that Germany would win the war by land and sea, and who evidently hoped that it would; and I trust that he is now agreeably disappointed.

But that was not the side I took, Mr. Chairman. However honorable and free from blame that may have been for other people, it could not have been free from blame for me if I had taken it, because I was on the other side. And that was in spite of certain prepossessions. I was a student in Germany 37 years ago; spent a year and a half in German universities, and also some time in an institution in Paris.

Senator NELSON. Did you ever do any dueling while you were a student in a German university?

Mr. HART. I witnessed dueling, and that was one of the things I did not like about Germany. I thought I might as well go and see a lot of steers slaughtered in a slaughterhouse as to see those fellows chopping each other's faces to pieces.

Senator NELSON. Then, if you will allow me to break in on your statement, can you see any reason for our youth going to round out their education in German universities rather than in our own country?

Mr. HART. I thought I got a good deal more out of the time I spent in Paris than out of what I spent in Germany. Germany was still strong then, however. It has lost its savor in that respect also, now. There are no eminent professors of history in Germany now.

Senator NELSON. Would you recommend our youth going to German universities to round off their education, now?

Mr. HART. I should not at present, because there are educational institutions in France and England where the results are very much superior in general effect.

Senator NELSON. Do you not think we have got it in this country?

Mr. HART. Well—got it? I did not catch it. I beg pardon.

Senator NELSON. Do you not think we have got as big educational advantages in this country as they have there?

Mr. HART. I might be thought as praising myself in answering that question. But, of course, we have. The best and most efficient universities in the world are American universities; but that does not mean that there are not students in American universities that can learn much in other countries, just as foreigners can learn much in American universities.

Senator NELSON. They can learn more here than anywhere else, can they not?

Mr. HART. I do not think it is capable of being estimated. I certainly learned more than I learned in any foreign country.

Senator NELSON. Yes.

Mr. HART. I beg that the members of the committee will ask me questions at any point.

Senator NELSON. Excuse me for interrupting you.

Mr. HART. No, sir—please interrupt.

Furthermore, I took my doctorate at the University of Freiburg in 1883, and it was no chromo degree. I worked with Prof. von Holst and in his last days he told me he wished it was possible for him to come and lay his bones in this land, because of his admiration for Americans. He felt that it was the country that was really his own. He was a man who had objections to certain things in his own country.

Senator NELSON. Did you give any attention to Treitschke on history?

Mr. HART. Curiously enough, I went to hear him in Berlin. I thought he was a good deal of a prig, and I pointed out 27 mistakes that I thought I had detected in his lectures on English history. and, do you know, the man never answered me? That was the extent of my connection with that man.

Furthermore, in 1914, before the war began, I was designated as Harvard exchange professor to go to Berlin in the year 1915. I have not been there. That was a service that had been performed like Prof. Hadley, of Yale, or Prof. Schofield, the Canadian, of Harvard College, and it indicated, of course, the appointment of a man that was interested in Germany, and at that time not hostile.

Senator NELSON. I want to say to you, as an excuse for interjecting this interruption—

Mr. HART. Yes, sir.

Senator NELSON (continuing). That I have discovered out in Minnesota that young men who have been to the German universities seemed to be affected with German ideas of government here, during the war. One of them, for instance, said that it was a horrible thing to deprive the German children of milk, and that we were a terribly cruel country. He had studied at a German university. And so I discovered in many instances that those who had studied in German universities were possessed with German ideas of govern-

ment, and were not, from my standpoint, as loyal and patriotic as they ought to be.

Now, do you not think it is a dangerous thing for our students to go over there and imbibe that system of theirs; I mean, their political system?

Mr. HART. I do not think the ordinary student in a German university gets much politics. He may get some beer——

Senator NELSON. Yes; and pumpernickel.

Mr. HART (continuing). Yes; and see the duelling; but to my knowledge three or four of the men who are now on the steamer *George Washington* have been in German universities, and I suppose that the presumption is that they came to understand the 'critter.' They can be especially helpful because they have been in Germany and speak and read German and know something of the people, and I presume they do not like it.

Nevertheless, despite those prepossessions, I did not favor Germany. For one reason, I never could stand the Prussian lieutenants when I was in Germany. I hated the fit of their trousers. [Laughter.] Second, because I was satisfied from the start that Germany had brought on the war; that she was responsible for the great outbreak.

Furthermore, the invasion of Belgium went against the grain. I very early took an opportunity of writing a long article in the *New York Times*, pointing out how it was against law and humanity. And then their massacres in Serbia, and also especially in Armenia, because the Germans are responsible for the death of a million people in Armenia; and finally the sinking of the *Lusitania* and their refusal to make any atonement; and their general brutal way of carrying on the war; and it quite wrought on my mind. I could not stand it. No decent man could stand it, it seemed to me. But that was a very different thing from believing, and for a long time I did not believe that the United States would have to go in; and I did not believe until a year before we declared war, it was not until then that the conviction began to come over me, that we would have to take part.

Senator NELSON: Did it not dawn on you, Professor, from the beginning of the war, that if Germany was successful in swallowing Belgium and destroying France and hamstringing England and getting control of everything in Europe, we would be the next victim, and that therefore it was in a certain measure our war as well as theirs?

Mr. HART. Senator Nelson, if you had the time to turn over that set of my works, you would find that principle, exactly, set forth here.

Senator NELSON. I am glad to hear it.

Mr. HART. And during the war I published several books. Here is one called *The War In Europe*. I am going to leave it for the files of the committee.

Senator STERLING. What was the date of its publication?

Mr. HART. October 17, 1914. It appeared early in the year 1915. That book is a general review of the nations at war, and the causes of the war, and it was, I must say, I think now, a good deal too neutral. If we had known what we now know about the actual responsibility—if we had had the proofs of the responsibility—of Germany, if we had known what Germany would do in all the con-

quered lands, if we had had the *Lusitania* sinking to deal with, I would not have tried to be so impartial and neutral. That, however, is an impartial and neutral book in which there are some things on which Germany is criticized, but in general I must say it is a colorless book, and I wish now that there had been a little more paint in it.

Senator NELSON. May I interrupt you right there, Professor?

Mr. HART. Certainly.

Senator NELSON. You recall the fact of the great brutality and barbarism of the German Army in Belgium in 1914 during their invasion when they rushed through Belgium; and do you recall the fact that there were a lot of German professors who signed a circular letter of some kind.

Mr. HART. Yes.

Senator NELSON. I can not describe the details.

Mr. HART. Yes.

Senator NELSON. Exonerating the Army and denying all those barbarous acts to Belgium? Do you recall that fact?

Mr. HART. Yes.

Senator NELSON. What was your view of it?

Mr. HART. It was one of the things that most set me against Germany, because those were the men who ought to have protested; and, so far as I can see, Senator, no body of responsible people in Germany to-day has protested against those outrages.

Senator NELSON. And there is where their leading men, their leading professors and ministers of the gospel, have failed to meet their responsibility.

Mr. HART. All German professors in the last 30 years have been public officials.

Senator NELSON. Yes.

Mr. HART. They could not have held their jobs if they had not preached the doctrine prescribed by their government; and therefore, when the time came and they were called upon to sign a document, they just had to do it. I do not mean morally they had to. They might have resigned or they might have cut their throats before they signed such a thing as that.

Senator STERLING. I want to ask you whether any part of that book or any chapters of that book appeared as magazine articles before the book was published?

Mr. HART. I do not think any part of this did. I wrote other magazine articles on other phases, but I think none of them were incorporated here. The book is at your service.

The next book I wrote is entitled "Problems of Readjustment," which is a composite. I will send you a copy down. It is made up of essays by various people, the point being, What is going to happen to the United States after the war? There is not very much about the conduct of the war in that book.

Then comes this book which is entitled "The Monroe Doctrine; An Interpretation." I see the preface is dated November 4, 1915. I finished the book and sent it to the press then. In that book I took occasion to criticize the German policy in America with reference to the Monroe doctrine, and there is a chapter upon the German doctrine which treats of Germany in Venezuela and danger from Germany.

Senator NELSON. Will you excuse me for interrupting you?

Mr. HART. Yes.

Senator NELSON. Did you have anything in it about the Argentine—Germany's invasion of the Argentine?

Mr. HART. You mean the colonists coming in there?

Senator NELSON. Yes, in large numbers; and German propaganda.

Mr. HART. Yes; certainly. But the main point that I laid down was that there was not room for Germany in the United States or in the two Americas, and if the Germans did intend anything in that direction in America, the United States eventually would have to protect itself. (Reading:)

If the Empire, now or hereafter, should fancy a colony in North or South America it will not be held back by Monroe's declaration. * * *

Nor is the future of California or Texas secured simply by being geographically a part of the United States, but by the ultimate ability of the United States as a Nation to hold on to them. * * *

Germany is the one power that has enough physical force and a broad enough ambition to give any chance of success in Latin America. Against Germany, therefore, more than any other nation on earth, all the American powers are seeking some rallying cry which would enable them to make head if danger came upon them.

Those are the two books written in the early part of the war by me.

As soon as the war broke out I entered upon the preparation of these two books, the first a Handbook on the War for Public Speakers [indicating book], and the second entitled "America at War: a Handbook of Patriotic Education References." This is made up of extracts from various sources. If it could be more distinctly anti-German, if there could be a greater effort made to show what the Germans said about themselves and the character that they gave themselves, if there could have been a greater appeal for protecting the United States and civilization against the Germans then I was at fault, because that is what I meant to put in those books.

It is a curious fact—not a curious fact, but it is an obvious fact—that I have had personal relations with people mentioned in the lists, because many of them are men of national reputation; but there were five different pro-Germans, several of whom were the most intense pro-German agents, with whom I have had some relations. Now, of course, if I were pro-German in the period before the war these are the men with whom I should naturally form relations.

There is one of those men who has been an intimate friend of mine for 40 years, Prof. Kuno Francke. I knew him in Germany 40 years ago. He has long been naturalized and is identified with this country. He announced, long before the war, that if war broke out he was an American, and he stood by his country; and his son is to-day in the military service of the United States. I have always found him an upright man. His views and mine upon the responsibility and character of Germany, however, were widely different, and we simply had to agree that we should disagree upon the question.

Senator NELSON. What view did he take?

Mr. HART. Well, he was German born, and he had been very active in the effort to unite the Germans in this country.

Senator NELSON. Did he justify Germany going into the war?

Mr. HART. Yes; he did. But he could not stand Belgium. That always stuck in his throat. He always said that was absolutely unjustified. He could not stand for it.

Senator NELSON. Did he deny that Germany began the war?

Mr. HART. He thought the war was part of a general world movement. He thought Germany was put upon. Undoubtedly he did so think.

The others are Münsterberg, von Mach, Heinrich Albert, and another gentleman, whom I will mention presently.

Münsterberg was my colleague. He was the open agent of Germany for 18 years. I find it hard to think that he entered into any secret propaganda before the war, because his open propaganda was so clear and frank. He never was naturalized. He considered himself a German to the last moment of his life. He is dead. He died about a year ago; and this is not a place for criticism upon that man, except to say that we had a controversy in the columns of the New York Times. His point was that the German-Americans came over here for the sake of spreading Germanism, and mine was that they came over here to become American citizens; and he did not like that kind of controversy, and the result was that from that time on we never had any personal relations.

The next is Edmund von Mach, who was properly characterized as a German agent. Von Mach was a neighbor of mine in Cambridge, although I hardly knew him. In going over these papers I chanced upon a note that von Mach wrote me early in 1915, asking me if I could arrange a joint debate between him and President Eliot. I did not arrange it.

Early in the war there was a meeting of the Economic Club, of Providence.

Senator NELSON. You spoke about a certain debate. Was that about the war?

Mr. HART. Yes; in Providence. Von Mach took one side and I another. These are two men, von Mach and Münsterberg, that are acknowledged agents of the German Government, and somehow they and I did not agree.

These minutes are somewhat arid, and I think I may relate this. The last time I saw von Mach I met him on the street. I think it was in the spring of 1915. He said, "I feel very unhappy to-day. I am very gloomy." I said, "What for?" He said, "Oh, the destruction of London." I said, "London is not destroyed. You had better cheer up." He said, "Oh, no; but it is going to be." "When?" "The 15th of next month." "How is it going to be done?" "By Zeppelins. A fleet of 12 Zeppelins." I said, "That is very interesting. How are they going to do it?" He said, "They are going to come over London on a dark and foggy night when the wind is blowing hard." I said, "Well, I have been in London a great deal and I know something about the weather there, and while I have known fogs and also high winds in London, they never come together." "But it has got to be so." "Why?" "Because then the firemen can not put out the fires." [Laughter.] You see, the Germans needed a dark and stormy night when it blew hard and there was a fog, and therefore they were going to have it. I think we may dismiss von Mach.

Next is Heinrich Albert, and he is the Machiavelli of the whole thing, apparently. I met him in Cambridge once or twice. He was the finest gentleman you ever saw. He was such an exquisite gentleman that it lost its effect.

Senator NELSON. He was like the man that Byron describes when he says "He was the mildest-mannered man that ever scuttled ship or cut a throat." [Laughter.]

Mr. HART. Yes. Heinrich Albert came here November 13, 1914. That was pretty early in the war; five months after the war broke out. He spoke in defense of the German invasion of Belgium. I noticed one telegram from J. W. Beacham that called attention to it, and I expressed my opinion of a nation that would take possession of a country and then leave it to starve. I said that the Germans would have to feed the Belgians, or practically be read out of the category of civilized nations, and I never have seen Heinrich Albert since that day or had any communication from him.

Now, let me speak of the other German-American, because I believe it is the key to my name being upon this list.

Mr. Bielaski is an obliging man, I take it, but he did not know what a service he was rendering me by quoting from von Bernstorff a passage in which he says that they can not get along with the German-American Alliance on account of the management, and he says, "This new German University Alliance is doing us a lot of good." "German University Alliance," I said to myself. "Ah! I know what that is. That is Otto Merkel, of New York." Let me give you my history of this, and what is the reason for my being on that list.

A person named Otto Merkel wrote to me asking me to join a new society, to be made up of persons who had been students in German universities—a German university alliance—and it was going to be a good thing all around; but somehow I did not like it, and I did not join. Mr. Merkel came to Cambridge. I have a distinct picture of the way the man looked. That must have been it. It was a long time ago, and the details had quite gone out of my mind.

Senator STERLING. What was the date?

Mr. HART. Well, it must have been in 1914. The thing did not come home to me until after I had started away from home, so that I did not search for the correspondence. I am inclined to think that I have got his letters; and if so, when I get home I would like to send them down and put them before the committee. However, it was inconsequential to me, and I may have destroyed them. He came and specially urged me to join the league. The point of it was, I did not like the looks of that. It looked entirely too German to me. Let me explain how it came about. Edmund von Mach published a book of the correspondence of various parties before the war, with comments. That book was suppressed on the ground that it had been discovered that his notes were unfair, and that they gave a wrong color, and Merkel wrote to me offering me \$200 if I would examine that book and send them, apparently for the University Alliance, and possibly for his superiors, a critique. He did not ask me to falsify; but if you take \$200 for a purpose of that kind the presumption is that you will give something that your employers want. I did not take the \$200 and did not write the

critique. I said that if I had anything to say I would examine the book and send a note to Von Mach. I never did that, because I said I did not want to be mixed up with German-American clans.

Now, what became of Otto Merkel? I never saw him again, and it had quite gone out of my mind until about a year ago it was announced in the newspapers that Otto Merkel had been arrested in New York. He appeared to be an unusual person, inasmuch as he lived in three different flats. Whether he lived there all the time or lived alone did not appear in the newspaper story. The Government considered him a dangerous alien, and I believe he is now interned.

Now, Mr. Chairman, it looks to me as though the name of Albert Bushnell Hart appeared upon a list of people that were to be tried out, and it is a great satisfaction to me that if that was the case and that man was the agent of the try-out, it was absolutely unsuccessful from start to finish.

Mr. Chairman, let me say again how much I appreciate this opportunity of putting my activities upon record. I have prepared, and will ask to be inserted in the record, some extracts from my writings, beginning on August 2, the day after war broke out, in which I expressed the belief that the cause of the war was that the ruling elements in Austria-Hungary were so furious at the sudden growth of Slav power that they would run any risks to destroy the only independent Slavic kingdom west of Russia. I said:

The Germans intended to use Belgium as their highway into France, treaty or no treaty, international law or no international law.

On September 23, in the Outlook, I declared:

All of them (the Germans) stood ready at any time to accept the decisions of their war lord and his counsellors that the country was in danger. No one can doubt that the German nation is completely unified in its determination to push the present war with every means, usual and unusual, for the defense of Fatherland and the expansion of the German Empire.

The war on the part of Germany is a national war in which almost every thinking man, woman and child is involved. The only people that ever protested against the war were some of the Social Democrats and a few of the intellectuals and a few professors, some of whom, I believe, felt it better and safer to live in Switzerland than in the country that they had criticized.

Senator STERLING. May I call attention to one quotation here in your book, *The War in Europe*. Beginning on page 137, at the bottom of the page, you say:

So far as the published dispatches and our imperfect knowledge of the circumstances go, it is proved that Emperor William would have held his hand for a few days if Russian mobilization had not seemed to him a warlike act directed against Germany. Whether Austria would in those few days have come to an understanding which would practically have nullified her ultimatum against Serbia is a question to which no answer is written, even in the books of the Fates.

Now, what I wanted to ask in connection with that is whether, after the knowledge we have now, it is believed to have been proved that Emperor William would have held his hand a few days if Russian mobilization had not begun?

Mr. HART. Certainly not. That is dated October, 1914, two months after the war began. We now know that the war was set up, and for

about that time. We know it is absolutely proved where the responsibility is. But I trust you will not go through that book and discover how many cases there are of judgments, made in October, 1914, that were not verified.

I will simply make a few more quotations from this list, because these quotations are brought together to show that from the beginning of the war my own influence was against the Germans.

Might I ask you to read the last passage in the preface of that book from which you have just quoted?

Senator STERLING (reading):

While sympathizing with all the peoples involved, there is one nation in favor of which I feel an unalterable partiality: it is the United States of America, which has her anxieties and interests also in the tremendous struggle.

Is that it?

Mr. HART. That is it, exactly. Until it became evident that the United States must be involved, my theory was, my belief was, that the interests of the United States came first; that they were the things to look after. I believed that those interests required a stiffer attitude in regard to the treatment of our neutral trade by Great Britain. I believed that our doctrine of the freedom of the seas would have justified us in protesting against action by the allies. You will find in various places in my books, however, and in my writings, a distinction made between the capture of ships of the allies without the loss of life, and the subsequent payment for ship and cargo, usually to the satisfaction of the owner, and the German practice of destroying innocent men, women, and children, and neutral products.

Senator NELSON. Coming to the doctrine of the freedom of the seas that we hear so much about, Professor, is it not a matter of fact that in time of peace, before any war, the sea was free and open, and that England made no obstructions to navigation in any respect?

Mr. HART. That is absolutely true, and that is one of the things—

Senator NELSON. Now, then, if that is true, when you come to the doctrine of the freedom of the seas, it must pertain to a state of war. Where a country is at war, has it not the right to engage in a blockade against its adversaries?

Mr. HART. Oh, certainly; the United States exercised that right in the Civil War.

Senator OVERMAN. What do you mean by "freedom of the seas"? I would like to have a definition of that.

Mr. HART. Mr. Chairman, the United States of America is waiting for an official definition of the term "freedom of the seas." It would be hardly safe for a layman to commit himself on that point in advance.

Senator NELSON. Do you not know that there have been less restrictions on navigation, on merchantmen, in Great Britain than in almost any other country on the face of the earth?

Mr. HART. Ten years ago I went around the world, and everywhere I found German ships in British harbors. The Germans claim that their commerce was abridged is absolutely without ground. The British admitted them to every colony on equal terms, and there was no discrimination against them. They were selling lots of goods.

Senator NELSON. So that this question of "freedom of the seas" that we have been talking about can only pertain to the conditions

that exist during a state of war. Do you want freedom of the seas then? Do you want to cut off the right of blockade in time of war? That is the question, is it not?

Mr. HART. I submit that is not the question before this jurisdiction.

Senator NELSON. That may be, but I would like to hear your views. We hear so much about it, and we poor legislators who are sitting here like to get all the light we can from you intellectual men, you professors.

Mr. HART. Freedom of the seas in time of peace ought not to depend upon the good will of any one paramount sea power. It ought to be a matter of world agreement. Great Britain has, for a century, behaved handsomely in regard to freedom of the seas, but the United States is entitled to share in the definition and the application of freedom of the seas in time of peace.

Freedom of the seas in time of war means some freedom of neutral trade.

I was very much opposed to the British restrictions involving the stoppage of all vessels whose cargoes might ultimately and indirectly reach Germany, because I thought that was a principle that was useful for the United States in time of war.

Furthermore, I am perfectly free to say that I am one of those who have never believed in the abolition of the right of the capture of private property at sea, provided you save life. The capture of merchant vessels is one of the most merciful kinds of warfare—unless you are in Germany—to civilized powers.

Senator NELSON. Do you think, Professor, that one of the most important things they could do in this settlement would be to prohibit all submarine warfare upon merchant vessels, and limit it in that way?

Mr. HART. You mean on belligerents vessels?

Senator NELSON. I mean on all vessels. I mean that submarine warfare should stop as to all merchant vessels, and should be limited to war vessels. Do you not think that the system of warfare by submarine vessels is of that character that there never can be protection of the lives of the men who are navigating the ships, and therefore that it ought to be abolished in respect to merchantmen?

Mr. HART. That is the principle that was once put forward by the State Department in the discussions with Germany, but afterwards they forebore.

Senator NELSON. What are your views on that question?

Senator STERLING. I beg to differ with you there, Professor. Possibly I may be mistaken, but my thought was this, that the State Department was making inquiry of the other powers as to whether or not we had not better disarm merchantmen and not permit them to be armed for defensive purposes, according to the old rule, even.

The German Admiralty order of February, 1916, was to the effect that all belligerent merchantmen, whether armed for purely defensive purposes or not, should be sunk without notice or warning; and upon that order being made, our State Department then began making inquiry of the other powers as to whether or not we had not better accede to the German Admiralty order.

Mr. HART. I believe that we are dealing with two different subjects. There is a dispatch, presumably written by the President's hand, in

which he calls the attention of the German Government to the fact that, as Senator Nelson has suggested, submarine warfare is incompatible with a civilized way of carrying on war—that is, against merchantmen; that you can not surround it with the necessary protection.

But the United States did not press that consideration afterward. That I believe to be true.

Senator STERLING. You are right in regard to that; they did not press that.

Mr. HART. Now, as to the submarine destruction of merchant ships. I can not see that that stands on a different footing, except that the submarines have no boats and no quarters in which they can take crews. If you have got to destroy a ship and set the people out 500 miles from land in open boats, and if you then shell and destroy the boats, of course the destruction is absolutely unallowable.

I should be very glad indeed if the nations would agree that submarines should not be used except as warships.

Senator NELSON. Would not that be one of the most important principles that could be inaugurated in that direction?

Mr. HART. It is a very important principle, Senator; only it does not touch the case of a very rich nation which builds 100 submarines secretly and then suddenly declares war, and out are your submarines, law or no law. We have to protect ourselves against outlaws among the nations.

Senator NELSON. That brings you back to the league of nations again?

Mr. HART. Possibly it leads in that way.

Senator NELSON. You are familiar with the Capt. Fryatt case, are you not?

Mr. HART. Yes; a case of murder; and I wish the murderer could be duly caught and hanged—not shot, but hanged.

Now, Mr. Chairman, that is all I have to say, except that I was going to read one or two more of these extracts before I turned the list in.

December 27, 1914, which can not be very far distant from the time when this list in the Fuehr papers was prepared, I wrote an article on Belgian neutrality in which I declared:

We are absolutely sure what the Germans would have done to Belgium, or any other nation that stood in their way, because it would be precisely what Germany has done to Belgium.

If Belgium is to be wiped off the map in order that the German Empire may feel safer, what is the protection of any power which in military and naval strength is inferior to Germany?

And from that time throughout 1915 and 1916 I continued to write in the same direction.

It is a great pleasure, Mr. Chairman, to have been able to place these remarks upon your record, in order that my family after me may have the satisfaction of knowing that when their father was called in question he was able—and I trust that you will agree with me that he was able—to show that the presence of his name upon a list drawn up by a spy, drawn up in secret, is no evidence in itself of relations with the Germans or sympathy with their cause; and that as against the continued protest by word, by documents, in various patriotic organizations, it is not worthy of consideration.

I have been and am now a member of the Massachusetts Constitutional Convention; was elected in 1917, just about the time that we declared war; and it is perfectly clear that the voters of Cambridge and the adjacent district had no suspicion that they were voting for a pro-German.

I have the confidence of my friends and my constituents, and I hope that upon the minds of the committee I have succeeded in establishing, not an alibi, but an absolute disproof, that the name in question had any connection with the Germans, the German Government, or the German propaganda, or that I have been at any time from the breaking out of the war anything but a true American; and, as the point came where it was possible to see what the responsibilities were, a consistent, permanent anti-German.

Senator STERLING. I would just like to ask you one question Professor, as to your opinion in regard to the influence of German thought, as German thought is known through the exchange of professors, and as it is known through the attendance of American students at German universities, as to the influence of that thought upon American thought and upon American institutions?

Mr. HART. The Germans were the first people to introduce into universities the idea of research. That is what made the German universities great. That is, you could take up anything in which you were interested, and push it, and publish your results, and add to the body of science. That is, their universities were academies. And their principle has been very fruitful in this country. It is unnecessary to follow it alone in Germany. It is a world-wide principle.

German thought, as illustrated by Goethe and the great poets and the great philosophers—Kant, and those men—has been of great service to the world.

The German thought that is hateful and harmful is the German belief which is indoctrinated in the idea that there is something called a "state" which is higher than the people, superior to them, and which is not subject to any laws of God or man; that the State can do what it likes. That is the most harmful doctrine that can be.

I have known a great many American students who have been in Germany in past years, but I do not know that I ever knew more than one or two who seemed to have been indoctrinated. I have in mind a professor of a university who lived in Germany in his youth, and was invited to luncheon by the President, and it turned his head. His name is in that list—and it ought to be there.

Have I sufficiently answered?

Senator STERLING. Well, it occurred to me, however, that some of these students abroad, and some who afterwards became professors in some of our schools and universities, had the wrong impression altogether of Germany, and of the real German mind; and whether they really believed it, or whether it was pedantry on their part, they were in their schools and in their work in the schools parading the virtues of Germany, industrially, economically, and so forth.

Mr. HART. I left Germany 35 years ago, and at that time the country was utterly different from what it was afterwards. It was rather a poor country, an intellectual country, and I never found, in my teachers—not having the advantage of Treitschke's lectures

on politics—I never found anything that I thought could be objected to.

The whole nature of the country changed, however. They made a great deal of money; they built up their external trade; and then they developed the internal system of making the professors simply the outriders of the military cortege. That is the real difficulty with German thought.

Let me tell you a tale, if you will, Mr. Chairman, that was told me by one of my colleagues. He said he was working in the Botanical Museum in Bonn, and he had a copy of *Punch* in which there was a cartoon of the Emperor, and he happened to leave it around, and the director of the gymnasium found it, and he was almost in tears. He said, "How could you do such a thing as that? If they found that here the Government would take away our appropriation."

What are you going to do about a condition like that? Why, of course, you put people in fetters; you put all the students and the whole population in fetters by such a thing.

Thank God, the world is aroused at last to what that teaching and that influence is, and I do not think we need be afraid of any further German influence upon American thought.

Senator STERLING. I am glad to hear you say so.

Maj. HUMES. Doctor, I would like to ask you if you have any knowledge of an organized effort on the part of the Germans in this country, or the German sympathizers in this country, to dominate the school textbooks, to secure propaganda in those textbooks?

Mr. HART. About five years ago, before the war began, there were some evidences that might be construed in that way. The German-American Alliance began to pay attention to such matters, and schoolbook publishers spoke to me about the matter. They took the ground, however, not based on German doctrines, that they thought that the German immigrants ought to be better represented; that there had been German soldiers in the Revolution—Steuben, and so on—and that the textbooks did not pay sufficient attention to them.

Maj. HUMES. We have some information, Doctor, on that subject. Can you furnish us with any information as to the publishers to whom you have referred and as to the activities that you have in mind; not necessarily right at this moment, on the stand, but can you hand me some memoranda that may assist us in investigation along that line?

Mr. HART. I think I could do so.

Maj. HUMES. We would like to have that.

Mr. HART. Take my own textbook. I am of the impression that the American Book Co. sent me a letter that they had received from some German, and said, "What about this?" I have written three textbooks on American history, and anybody may examine them without discovering any pro-German influence.

Maj. HUMES. What do you know as to the activities in that line in connection with books published by Allen & Baker?

Mr. HART. I never heard anything about that at all. I have never published anything with them, so that I do not know.

Maj. HUMES. Has it occurred to you that possibly one of the reasons for the inclusion of your name in the list was some statements that were made in this first book of yours?

Mr. HART. That depends on the date of the list, of course. This book was put on the market early in 1915. I am unable to say when the list was made up.

Maj. HUMES. It was published in 1914. October 17, 1914, is the date given here.

Mr. HART. That was when the book went out of my hands; but after that it had to be printed; and the date set down is 1915; it did not reach the market until then.

Maj. HUMES. There are in this book a great many extracts that are favorable to German contentions, are there not?

Mr. HART. Yes.

Maj. HUMES. And after reading this book one is left with the impression that the author's notion is that the war was rather forced upon Germany than that Germany forced the war upon the allies, is he not?

Mr. HART. Well, that was not my impression. I must say frankly that a person might read the book and feel that it stood up so straight that it leaned over backwards.

Maj. HUMES. It is our understanding that the list in question was prepared early in the year 1915.

Mr. HART. Yes.

Maj. HUMES. Then may it not be a fact that the sentiments in this book were at least partially responsible for your having been included in this list?

Mr. HART. Well, I might think so, but on December 27, 1914, which must have been before the list was published, after the book was completed, I wrote an article in the New York Times, which appears to have been widely circulated, which was a slam upon the German occupation of Belgium—the violation of neutrality. That was the particular point I was considering. I think anybody reading that would not suppose that I was a friend of Germany.

Maj. HUMES. In your discussion in that book of the violation of Belgium you leave the matter somewhat in doubt as to just where the rights of the parties were, do you not? In other words, you raise the question, and leave it after raising it, in effect that the state of war had created a situation which made it impossible to determine the proprieties of German conduct until after the war was over? Is not that substantially your position in this book?

Mr. HART. Well, I do not think that is an unfair statement; but, of course, even two months after that book was written, we discovered that the Germans were in Belgium indefinitely. That is, when it came to that point, after they were pushed back from the Marne, it was the hope of most people in the United States, I think, that the Germans would be pushed out, would be defeated, and that that question would disappear. But, as time went on, it became evident that they were not only settled in Belgium, but that they were sucking its blood.

Maj. HUMES. And do you not, in this book, infer that while England protested against the violation of Belgian neutrality by Germany, there is a serious doubt as to whether she would have objected to the violation of Belgium's neutrality by France or by any other country, and do you not leave the reader under the impression that England's taking issue with Germany on the violation of Belgium

was entirely due to her animosity toward Germany, rather than to her desire to maintain Belgium's neutrality?

Mr. HART. My point there was, and I think it is perfectly sound, that it was a mistake to suppose that it was the violation of Belgian neutrality that caused England to go in. England was already pledged, and must have gone in, anyhow.

What I am discussing there is that, so far as England's attitude was concerned, it was not dependent on Belgium.

Maj. HUMES. In this book you also make the flat assertion that the Emperor of Germany did not want war, and point out, as evidence of that fact, the fact that he was in Norway at the time of the Austrian ultimatum to Serbia?

Mr. HART. We now know that that was a camouflage; but we did not know it then.

Maj. HUMES. I understand that. I am only pointing out these matters, professor, with a view of suggesting that possibly the statements made in your first publication led, to some extent, to the inclusion of your name in this list of persons whom the German agents thought they could utilize for propaganda purposes in this country in connection with their writings.

Mr. HART. That may be; and if I had known what I knew six months after that book was written, it never would have been written in that tone.

I think you are right in saying that the book is too neutral, too impartial, and too colorless; but it was written at that time.

Capt. LESTER. May I ask you a question, professor? Do you recall a dinner in Boston which you attended, where Dr. Albert was present?

Mr. HART. Yes.

Capt. LESTER. Do you recall when that was?

Mr. HART. November 23.

Capt. LESTER. November 23, 1914?

Mr. HART. November 23, 1914; yes.

Capt. LESTER. Was there not some controversy at that dinner over the subject of the war, in which you took part with Dr. Albert in a discussion?

Mr. HART. Yes.

Capt. LESTER. What was the controversy?

Mr. HART. Over the occupation of Belgium, which he defended.

Capt. LESTER. What was the outcome of the controversy?

Mr. HART. Well, a good many of the gentlemen who were there, at the time and subsequently told me that they thought the outcome was that I had put him out of court.

Capt. LESTER. Was it an open debate?

Mr. HART. No, it was a succession of addresses; only I came after him.

Capt. LESTER. Was there any ill feeling brought about between you and Dr. Albert as a result of that controversy at the time?

Mr. HART. Why, we said goodnight, and passed the time of day, and I never saw him again.

Capt. LESTER. Could you possibly have left the impression with him that you were rather friendly disposed toward Germany?

Mr. HART. It may be; because he was a German. But certainly there was nothing in what I said to warrant that. That was not

the impression of the audience. There is a telegram here from the secretary of that club on that occasion, and I have newspaper reports, if you would like to see them; I have one or two newspaper clippings.

Capt. LESTER. Yes; I have seen the newspaper reports.

Senator OVERMAN. Had you known Dr. Albert before?

Mr. HART. I had known him before that dinner. I had met him a few days before, in Cambridge.

Capt. LESTER. Did you have any correspondence with him afterwards?

Mr. HART. I do not remember any, at all. Of course I might have had.

Capt. LESTER. The reason I asked you is that it was a part of the system, of which, of course, Dr. Albert was the real head, where their agents came in contact with prominent people—or people in the literary field, especially—that a report would come back to the bureau, and his name would be placed on the list as a future recipient of literature, and possibly a candidate for their useful purposes at that time.

Do you recall whether anything was said at this dinner in which you could have given Dr. Albert the idea that you would like to hear more from him?

Mr. HART. I have no remembrance of it. The point in my mind was: Here is this man. He is defending the German occupation of Belgium. I want to make it clear that the point I made was the feeling of the people; that they had taken away their sustenance, and that if anything happened to the Belgians, the German Government would be held by the world responsible for their death; that they had to look after those people. And he said: "Of course they will do that."

Capt. LESTER. For your information, there is a list here, of which I have a photostat copy, where some hundreds of teachers and professors, and men in public life, were listed as regular subscribers to all of the German propaganda literature that was sent out; and that list was built up from occasions such as that which you have just described: that is, they solicited the literature sometimes, and at other times it was sent to them; and each time it was sent, there was a letter in which a controversy was invited, resulting in their connecting, in that way, many innocent people with the German propaganda, who received, periodically, all of their literature, and possibly never read it. But what I was trying to get at particularly was whether in your talk or your controversy with Dr. Albert, on that occasion, you gave him any reason to believe that you would welcome that kind of literature.

Mr. HART. I have no recollection whatever of it.

Senator OVERMAN. Did you receive any literature?

Mr. HART. Oh, yes. You used the term "subscriber," Captain?

Capt. LESTER. These are not subscribers. They are recipients. They never put their names down—not necessarily—on the list, but they received every publication that came through—some in German and some in English—and received, periodically, everything that was published relating to the German cause.

Do you recall how much you received, or how long it was sent to you?

Mr. HART. It kept coming, just as the English did, and the Belgian and the French, and I never knew where those things came from at all. They kept coming in the mail. Only it seemed to me, after a couple of years, that the Germans were not printing so much.

Capt. MORIARTY. I may say that I was present at that dinner which has been referred to, and that I sat two seats from Prof Hart. I was very anti-German from the beginning of the war, and it seemed to me, on that occasion, which was somewhat early in the winter of 1914, that Prof. Hart made a very strong defense of Belgium, in reply to Dr. Albert.

I remember the point, particularly, that Dr. Albert made in his discussion, that Germany had a right to invade a neutralized but not a neutral nation; in other words, that Germany would not have had a right to invade this country, being a neutral nation, but that Belgium had been neutralized, and Germany, as one of the parties who had neutralized that country, had a right to go in there; which was, as Prof. Hart pointed out on that occasion, a distinction without a difference.

Senator STERLING. In that connection, was not Germany a party to The Hague Convention of 1907?

Mr. HART. Whether they signed all the conventions or not, I can not say. There were a number of them, and my impression is that there were one or two that they did not sign.

Senator STERLING. Do you recall the convention in regard to the inviolability of the territory of any neutral nation by a belligerent?

Mr. HART. I believe that they did sign that convention, and that in an article on that subject I brought that out.

Senator OVERMAN. We are very much obliged to you for your statement, Doctor. Have you anything else that you would like to submit?

Mr. HART. Two or three of my friends are here, and I thought possibly they might express their opinion to the committee.

Senator OVERMAN. Do you desire to have anybody called?

Mr. HART. Yes; Col. Donges of the War Department is here, and Maj. Wambaugh of the War Department. Both of them have known me for years.

Senator OVERMAN. And they will testify to your patriotism?

Mr. HART. Yes; at that time. That is the issue.

Mr. STOWELL. Mr. Chairman, reference has been made to Mr. Merkel, and I would like to say a word or two referring to him, in connection with the matter which is before the committee.

STATEMENT OF MR. ELLERY C. STOWELL

Senator OVERMAN. Where are you from?

Mr. STOWELL. I am in Washington.

Senator OVERMAN. What is your connection in Washington?

Mr. STOWELL. I came here to do Government work, and was five days in the Government employ, and then an intimation came to me asking me to resign. That intimation came to me because I had criticized the Government before we went into the war. I did not intend to bring this matter in, but——

Senator OVERMAN. I want to find out who you are. That is all.

Mr. STOWELL. I thought we should go into the war earlier, when the allies were fighting Germany.

Senator OVERMAN. You have been in Washington ever since?

Mr. STOWELL. I criticized the administration for not going into the war earlier, and thereby became persona non grata, and the information came to me that they would like to have me get out. So I resigned. Therefore, at the present time, I am practicing law.

Senator OVERMAN. Where are you from?

Mr. STOWELL. I was formerly in Columbia. I was formerly associate professor of international law in Columbia.

Senator OVERMAN. What is your native State?

Mr. STOWELL. My native State is Massachusetts.

The only point I thought the committee might be interested to hear about was this matter of Otto Merkel; because I had some information in regard to this very matter, showing the subtle methods of that man, and I think that I hold the threads of some of those things that were done; and I telephoned the secret service in New York. One of their agents came to see me, and then telephoned me, afterwards, and told me that they had interned Merkel; and he told me, before it came out in the papers, about his having these different residences, and numberless suits of clothes and so forth in each, and that they thought he was a very dangerous man, and that they much appreciated the information that I had given them, by which they secured his internment.

May I go on and speak about this matter? Because it related to some of the things that Prof. Hart spoke about.

I had written a book on the war, which treated particularly of the fourteen days preceding the entrance into the war.

Senator STERLING. Our entrance into the war, or the beginning of the war?

Mr. STOWELL. The beginning of the war.

In consequence of that, I was applied to by Mr. Merkel, who was secretary of the German University League—if that is the correct name.

Mr. HART. "Alliance," was it not?

Capt. LESTER. "The German University League" is correct.

Mr. STOWELL. And he asked me if I would not study the book that Von Mach had put out—referred to by Prof. Hart—because they had elected Mr. von Mach as president of their organization, and he said, "If there is anything in this book that would indicate that Dr. von Mach is not such a man as we should want at the head of our organization, we feel that we ought to know it, and therefore I came to you, as an expert on this matter, and will ask you if you will not make the investigation."

I examined the names of this association, and felt that it was pro-German, naturally, and pro-German in an unfair way, among those men who were making a propaganda. However, there were many fine names among them.

I did not wish to get in any way involved in this German propaganda. At the same time, I had made it a principle always to give an opinion on international law matters, whenever I was requested to do so; and I did not like to turn down anybody who came to me

and asked me, in a judicial capacity, more or less, to examine a book.

He said that they were willing to let me fix my compensation, if I would undertake this.

I thought the matter over, and talked it over with some of my colleagues, and felt that it was a very dangerous matter, one in which I might become involved, and have my name on some of these lists as a pro-German, which I did not want to do.

On the other hand, I felt that it was the courageous thing to do, and the right thing to do; and so I said I would do it, provided Mr. Merkel would meet the conditions which I laid down.

These conditions were that the payment to me should be so low that it would be evidently only a fair return for the time spent; secondly, that I should notify the other side—McMillan—of what I was doing, and ask them to make any observations that they might choose (you see, a suit was pending about this withdrawal) and, third, that the report that I found on this investigation might be published by me, whether the University League liked it or not. That seemed to me such a perfectly fair way of getting at it, and, more or less, would put this matter in a public way, that I told him if he wanted to take it on those conditions, that I would do it; and he said he would.

Senator OVERMAN. Who is that?

Mr. STOWELL. Otto Merkel.

Senator OVERMAN. How much compensation was paid to you?

Mr. STOWELL. The compensation to be fixed was \$200—the same sum as that mentioned by Prof. Hart.

I would like to say that before this I had been offered a retainer by the German Embassy, or by lawyers representing the German Embassy, to take up the *Appam* case, and I had refused to enter into any of them, although I would have liked to have made that money, because I did not wish in any way to be involved in either side, but wanted to keep fair on these questions.

Senator NELSON. What was your opinion, that you finally gave, in this case?

Mr. STOWELL. Would you like to have me go through the whole thing? I will answer that—the matter comes out in that opinion—because several things which happened may be of particular interest to this committee.

I proceeded to read this book, which I had not looked at before, except to glance at it, and I found that it was a most atrocious piece of German propaganda. I say atrocious. That is a pretty strong word, but it was atrocious, because it was ably done, in certain respects, but it showed such a bias and twist that it showed the kind of mentality to which Prof. Hart referred as indicated by the fogs in London—it was befogged.

I was going along with this, and making a report which would have put the matter beyond any doubt, I think.

Just about when I was practically through with the work the rupture of our relations with Germany came, and when that rupture came I thought that the German University League would have no further use for this matter. I did not think it was proper at that time to go on with the relations, and so I wrote or telephoned Mr. Merkel—I forget which—suggesting that, as I had the report pro-

tically ready, I should turn it over to him, and that the League could give me half of the compensation for the work that I had done; and we closed the matter there.

Senator OVERMAN. Were you a member of the League?

Mr. STOWELL. No; I am not a member of the League. Mr. Merkel sent me a check for this \$100. He sent me his personal check, as I remember. Then he came out to see me, and we discussed some matters, and I went into some of the questions of international law with him about the war.

I was told that Mr. Merkel was an American citizen. Then he told me, for the first time, that he was a German, although he had told me before that all the directors of this organization were Americans. He did not tell me that he was a German before. The impression I gathered was that the whole thing was American, although with German sympathies, of course.

Senator OVERMAN. I do not think we will hear you any further about this.

Senator NELSON. Just tell us what your opinion was—this opinion that you got the \$100 for?

Mr. STOWELL. This was an opinion that this book——

Senator NELSON. The opinion about that book; yes?

Mr. STOWELL. That it was unfair, and that—I do not remember that I summarized the conclusion, but I put forth all this evidence of what these unfair instances were, so that it would be perfectly clear to anybody who read this that the book ought to be withdrawn by McMillan.

Senator STERLING. Did you characterize it as pro-German?

Mr. STOWELL. I put forth those instances. I do not remember that I characterized it as pro-German. But, Mr. Chairman, I got a communication from Mr. Merkel, that had been sent to a colleague of mine, that related to another point that Prof. Hart brought up, and I think it of very great importance; and then I telephoned, and on this Mr. Merkel was interned.

Senator OVERMAN. Well, I think that will do on that.

Now, Prof. Hart, who is it that you want called?

Mr. HART. Col. Donges and Maj. Wambaugh. Maj. Wambaugh has been an acquaintance and friend of mine for many years. I should just like to have him say what he thinks of my attitude toward the war.

TESTIMONY OF COL. EUGENE WAMBAUGH.

(The witness was sworn by the chairman.)

Senator NELSON. Are you in the Regular Army?

Col. WAMBAUGH. Commissioned in the National Army. They are said now to be one. There is said now to be but one Army. I am in the National Army, or was. I am assistant to the Judge Advocate General of the Army. I am Chief of the Division of Constitutional and International Law. In civil life I am a professor in the law school at Harvard University. I was in that service for 25 years until I was called into the Army.

Senator OVERMAN. How long have you been in the Army?

Col. WAMBAUGH. About 18 months ago. I was called in to

Senator OVERMAN. Were you called or did you make application to the Judge Advocate General for a commission?

Col. WAMBAUGH. I applied for the commission when I saw that the war was going to break out. I was commissioned the day after the presidential election. My commission was held until that time because I was a presidential elector upon the Democratic ticket. If I had happened to be elected I should not have been able, I think, to serve in both capacities.

I was at the point of saying that I had been for 25 years in the Harvard Law School. That institution is in government largely separated from Harvard College, consequently I have not been a member of the same faculty with Prof. Hart. I think I will say that I have never been an intimate friend of his. I first saw him, I fancy, 42 years ago, when we were students, but not classmates. From that time until now I have hardly seen him, and for 25 years when I was actually in practice as a professor I saw him, of course, frequently. His subjects are much the same as mine. He teaches the history of government, whereas I teach constitutional law and international law. For that reason I have taken interest in his views. His views have never been mine on political matters. I am a Democrat. He is a Republican, who calls himself a Progressive; that is to say, he holds Democratic views, though he is unwilling to call himself a Democrat. I mention this to indicate that we differed in a friendly way for many years.

Senator NELSON. But the German propaganda was not involved, was it—

Col. WAMBAUGH. I shall come to that in an instant.

Senator NELSON (continuing). In this difference that you speak of between yourself and Prof. Hart?

Col. WAMBAUGH. No, indeed. Just after the war broke out in Europe I was employed by the Navy Department for two months as an adviser—I believe I was called special counsel to the State Department, on war problems. Consequently my attention was very actively called to the kind of questions in which this committee is interested. Of course I knew of the administration's position that we must all be neutral in expression and as far as possible in thought. But after I ceased to be in the public service—for I was with the State Department only two months, and then returned to the university, at the beginning of the university year—after I ceased to be in the public service I retained an acute interest in noticing the attitude of my neighbors, for this I conceded to be a matter of consequence. The neighborhood was distinctly anti-German, so much so that it did not sympathize with the neutral attitude of the administration.

Senator NELSON. What was your attitude, your mental attitude?

Col. WAMBAUGH. My mental attitude? There is but one mental attitude, Senator. It seems to me, and though I trust I did not mention it when I was in the public service, that mental attitude is hostility to any country which does what was done by the Germans in Belgium. There was but one side possible from the point of view of a lawyer, and I am simply a lawyer.

Now, I was leading up to this point, namely, that Prof. Hart, a most distinguished and learned and influential man, greatly respected in that community, was never for an instant classified as pro-German.

or anything of the sort. In that community a person with the slightest prejudice in favor of Germany would have been detected instantly. There was no such taint attaching to Prof. Hart's reputation, and as I had conversations with him myself from time to time, not often, perhaps half a dozen times, I am in a position to say that there was no such taint in his mind. Why, gentlemen, it is absurd that I or any other man should stand here to seem to defend the Americanism of a gentleman whose reputation in that regard is as good as that of any Member of either House of Congress, as good as that of any man who ever sat in any of our cabinets, and as good as the reputation of anyone who has been a President of the United States.

Senator OVERMAN. That will do. Who is the next man?

Mr. HART. Col. Donges.

TESTIMONY OF COL. RALPH W. E. DONGES.

(The witness was sworn by the chairman.)

Col. DONGES. I am now a lieutenant colonel in the United States Army, having been commissioned May 9, 1918, as lieutenant colonel in the National Army. Prior to that time, and for about four months, I was engaged in the office of Gen. Goethals in a civilian capacity.

Senator OVERMAN. You are in the Quartermaster Department?

Col. DONGES. No, sir; in the Division of Purchase, Storage, and Traffic of the General Staff, now attached to that division as a member of the War Department Board of Appraisers having to do with the appraisal of all property taken by compulsory process by the department.

Senator NELSON. Engaged in civilian work?

Col. DONGES. No; as a commissioned officer.

Senator NELSON. But you are doing civilian work?

Col. DONGES. Yes; in a sense, civilian work.

Senator NELSON. Clerical work?

Col. DONGES. Hardly; no, sir.

Senator NELSON. It is civilian work as distinguished from military work?

Col. DONGES. It is not field work, I am sorry to say. Prior to my commission in the Army I was a member of the bar in the State of New York. I resigned as president of the Public Utilities Commission of New Jersey to accept a commission in the Army, with a hope of more active service.

I have known Prof. Hart for some years back, and was associated with him as a governor or manager of an educational institution in the Middle West, and it was in connection with that work that I came in contact with him most, and for the last three or four years quite frequently.

Senator NELSON. What institution was that?

Col. DONGES. At Moosehart, Ill., a vocational educational institution where we are endeavoring to train about 500 or 600 boys and girls in useful occupations. Prof. Hart is one of the governors, and I am one of that board. We spent a great deal of time together; he and I were on many of the subcommittees of the board, meeting in New York quite frequently, as frequently as once a week, or once in two weeks, attending the monthly meeting of the entire board, as a

rule; and during that time Dr. Hart and I frequently traveled from New York or Philadelphia—my home being in Camden, N. J.—we frequently traveled together out to Illinois, so that I had occasion to discuss in a very intimate and more or less confidential way questions relating to the war, both before the entrance of the United States into the war and after, and it was a shock to me to take up the paper the other day and see Dr. Hart's name mentioned as one of those who was identified in any way with any pro-German sentiment or propaganda. I instantly remarked to a friend that I believed Dr. Hart could and would defend himself here, because I was so thoroughly convinced from everything that he had said, privately and publicly, and to his friends discussing things together, when confidences are likely to be expressed, he had always taken a decidedly anti-German view.

Senator OVERMAN. Anybody else?

Mr. HART. I would like to call Mr. Charles A. McGee.

TESTIMONY OF MR. CHARLES A. MCGEE.

(The witness was sworn by the chairman.)

Senator OVERMAN. Where do you live?

Mr. MCGEE. San Diego, Cal. I am practicing law and have been for twenty odd years. I have known Prof. Hart, I would say, somewhat intimately for the last four years. I am at present the executive head of the Loyal Order of Moose, an institution with some 550,000 members, which is operating at Moosehart, about which Col. Donges has just addressed himself. On that board at one time were Hiram W. Johnson, of California, and Senator-elect Arthur Capper. I have known Prof. Hart in that work, in convention work, and in war work. I have talked with him, as has Col. Donges, confidentially. About this matter of being a real American, I have always classified him and thought of him as the ideally patriotic American citizen, his views sometimes tempered judicially as a historian. I never read what he characterizes as the neutral book, but have frequently used his handbook for speakers and have found much of real color and worthwhileness in that book.

Personally I would say that Prof. Hart is as close to the patriotic sense of the great membership in our order as any member in it, and we have been very active in war work, as the various departments know. The Fosdick committee, the Surgeon General, the State Department, and the secret-service department know of our work.

It was a year ago, I think, or thereabouts that we sent a commission abroad, and Prof. Hart was one of those who advocated the sending of that commission abroad, for the purpose of establishing a legion on the battle field, or home on the battle field, for the benefit of our boys. We have in the service about 50,000 from Canada and the United States.

Briefly summarizing the situation, in a rather broad acquaintance throughout this country, I can think of no man whom I consider and have reason to believe is more thoroughly in harmony with everything that America has stood for in this war, her aspirations, and her ideals, than has Prof. Hart.

Senator OVERMAN. Have you anybody else, Dr. Hart?

Mr. HART. No, sir. State's Attorney Broening is here from Baltimore, and I should be glad to call him, but I have known him a shorter time, and I think the committee has given me every facility, and I desire to express my thanks.

Senator OVERMAN. We are very glad to be able to do it.

Maj. HUMES. Here is one letter which I will read:

L. E. MILLER,
COUNSELLOR AT LAW,
192 Broadway, New York, Dec. 9th, 1918.

HON. LEE S. OVERMAN,
Chairman of Investigation Committee,
of the United States Senate,
Washington, D. C.

DEAR SIR: I notice in the papers that Chief Bielaski testifying about Mr. Untermeyer's purchase of the Warheit stock for the purpose of German propaganda, mentioned also my name as one of the parties interested in that purchase.

Again, Mr. Untermeyer replying to the charge of Chief Bielaski, and explaining the circumstances of his purchase of the Warheit stock, without naming me, tried to convey the impression that I have been fully aware of his motives, and that I, with full knowledge of the circumstances continued in the Warheit in my former capacity, as one of his co-owners.

As I am about to sail for Europe (for newspaper work) in a few days, and as I am now unable to foresee what further statements Mr. Untermeyer may make as to my part in the transaction, I beg to submit the following facts, easily to be verified and giving some light if not all the light on the transaction under your consideration.

After I was forced out of the Warheit, because of the pro-Ally attitude, from the first day of the war (August 1st 1914) I started a Jewish daily called "The Leader" in which I tried to continue my pro-Ally work among the Jews of America.

This happened in the spring of 1915 which, as the world knows, opened up as one of the most disastrous years for newspapers—new and old alike.

It so happened that Mr. Untermeyer's "friend" Judge Aaron J. Levy, was a "friend" of mine when he learned about my financial difficulties with the Leader suggested that his friend "Untermeyer" would be but too happy to help out a friend of his friend.

We went over to Mr. Untermeyer before whom I laid the whole truth of the situation which was then desperate to the extreme. When Mr. Untermeyer learned that the "Leader" had a circulation of over 40,000 daily and that less than \$40,000 cash would place it on a paying basis, he declared his willingness to come forward with the cash upon the following conditions, viz: That I was to remain with fifty-five (55%) per cent of the capital stock of the "Leader," Mr. Untermeyer was to receive forty-five (45%) per cent of the capital stock of the concern, but that ten per cent of my fifty five per cent was to be deposited in trust with our mutual friend Judge Aaron J. Levy who in case of a disagreement upon the editorial policies of the paper could act as an umpire and determine its policies.

Next day after that conference which was August 19th 1915, I addressed to Mr. Untermeyer the following letter, an engraved fac-simile of which I hereto attach:

NEW YORK, August 19, 1915.

SAMUEL UNTERMEYER, Esq.,
47 Wall Street, New York City.

DEAR MR. UNTERMEYER: I have considered carefully your proposition.

While it may be fair and even liberal in a way from the viewpoint of business pure and simple, I do not see my way clear to it from an angle which I would call aesthetical if not exactly ethical.

Whatever standing, reputation and influence are ascribed to me—all come from the general conviction that no one can control my pen or collar my person.

You may deem extravagant the desire of a man, caught in a wheel of adversities, to fancy himself independent, but such I am, and I feel myself too old to reform.

Upon your receipt of this reply The Leader will be discontinued, which not only spells financial ruin, but also adds the burning stigma of failure and defeat. I fully realize it, but I cannot change my course.

Thanking you for all your courtesies, kindness and good will, I remain,
Sincerely yours,

L. E. MILLER.

Next day I did discontinue the Leader and did lose every cent invested which represented all my worldly belongings, but I saved by body and soul from the control of the interest represented by Mr. Untermeyer in his proposed transaction.

In the early part of 1917, the creditors of the Leader became very insistent and I began to look around for a purchaser of my stock in the Warheit. The Warheit at that time became a violent pro-German and Anti-Ally publication and regardless of my financial embarrassment I could not decently continue as a part owner of the publication, although the World knew that as a minority stockholder, I could not be held responsible for its tendencies or policies.

Again Mr. Untermeyer's friend Judge Aaron J. Levy came to the rescue. He informed me that his friend was willing to take over my stock in the Warheit. In the month of April, 1917, Mr. Herman, the Managing Clerk of Samuel Untermeyer together with Judge Aaron J. Levy met me at the office of Kuhn, Loeb & Co. with a certified check of \$50,000 which was delivered for the 47% of the stock of the Warheit which were owned by myself and my wife and was pledged to secure a certain indebtedness to Kuhn, Loeb & Co.

That then and there I signed the usual transfer of stock, not to Judge Aaron J. Levy, as Mr. Untermeyer erroneously assumes, but to Mr. Untermeyer's own clerk Mr. Herman and said stock of the Warheit Publishing Co. passed not to Judge Aaron J. Levy but to Mr. Untermeyer's own Managing Clerk Mr. Herman.

On the way home from Kuhn, Loeb & Co. Judge Aaron J. Levy informed me that while they could not secure more than 47% of the stock of the Warheit Publishing Co. they have made arrangements with the rest of the stockholders which virtually places them in the absolute control of the editorial policies and management of the Warheit.

I remain,

Respectfully yours,

L. E. MILLER.

(Thereupon, at 12.40 o'clock p. m., the subcommittee adjourned, subject to the call of the chairman.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

FRIDAY, DECEMBER 13, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., pursuant to the call of the chairman, in room No. 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Wolcott, Nelson, and Sterling.

Senator NELSON. I want to make a correction in the record, Mr. Chairman, to this effect: The other-day I made the remark that the Evening Star was about the only loyal paper at the time preceding our entering into the war and after the war had begun in Europe. It was in connection with the Washington Post. I was mistaken in that. I ought to have included the Washington Herald in the same category as the Star.

I have here a letter, Mr. Chairman, from former Judge Grosscup, who used to be a Federal judge in Chicago, which I want to put in the record.

Senator OVERMAN. Do you want it read?

Senator NELSON. No, sir; I do not think it is necessary. It is a disavowal.

Senator OVERMAN. Very well. Let it be printed in the record.
(The letter referred to is here printed in full, as follows:)

THE WALDORF-ASTORIA,
New York, December 9, 1918.

Hon. KNUTE NELSON,

Judiciary Committee, United States Senate, Washington, D. C.

MY DEAR SENATOR: My name was included in a list furnished your committee by the secret service as having been pro-German. No specific act in proof of this was ascribed to me, but the juxtaposition of my name with that of those to whom specific acts were ascribed leaves a possible inference that I was concerned also in some such act. I think I am entitled under these circumstances to lay before the committee a bare recital of what I have done.

In the fall of 1914 I wrote an article, sent to the press without solicitation by or arrangement with anyone, in which I laid the blame for the political and industrial conditions out of which the war arose on Russia—on medieval Russia, gripping all the peoples to the east and south of the German and Austrian Empires in the iron bands of medieval race and religious influence. As I looked at it then (and I have not changed my view in that particular), Russia lay like a huge mastiff between modern industrial development, as it was taking place in Germany, France, England, and the United States, and the conditions of Mexico that still prevailed in the south and east of Europe. But I added in that article that it was still incumbent on the German Government to give some good reason why it did not accept the suggestion of Sir Edward Grey for an international conference before beginning hostilities. This was six months before the *Lusitania* was sunk; two years and six months before America was drawn into the war.

Following the sinking of the *Lusitania*, I advocated, along with the then Secretary of State, in an interview in the Washington Post, the separation of passengers crossing the ocean from ammunition-bearing ships, denouncing in the same interview the sinking of the *Lusitania* as a crime.

Save for this article and these interviews, I have published or spoken nothing that I know of that could have led to the inclusion of my name in the list submitted to the Senate. I have been in no one's employ in connection with the war. I received no compensation for anything I wrote or spoke. I belonged to no league or other organization and spoke for none except the National Security League. All that I did can become known by reading the article and the interviews to which I have referred. It is possible that in personal conversations I have said things that indicated I still believed in the German people; for, after long experience in observing that there are nearly always two sides to every controversy, I am loath to disbelieve where I once believed. Since America entered the war I have tried to do what service I could on the side of America as a patriotic citizen. Indeed, from the American Revolution down to this war, inclusive, except the Spanish War, every generation of the family to which I belong has been represented in the American Army—two of my great-grandfathers, one of whom was a captain in the War of the Revolution—the husband of my only child in the Aviation Service in this war.

If your committee were to ask me my present views I would answer (differentiating the German people from their deposed military leaders) that in the interval between 1 minute before 11 o'clock on the 11th of November last, when the armistice was signed, and 1 minute after 11 o'clock—short as the interval was—the world had turned its face from the most stupendous task of war it ever undertook, to confront the most stupendous task of peace with which the world has ever been confronted—the line that previously divided the world shifting in that brief moment from a line dividing the allies and the central powers to one almost at right angles with it, for the line now runs, not so much between armed belligerents as between a future founded on social order and a future founded upon chronic social upheaval and anarchy. And in the assessment of forces thus confronting each other, the German people, who, next to the French people, are industrially the most democratic of any people in Europe, are a factor to be utilized, not destroyed, by those who stand for social order. England, the mother of parliamentary government, was until within my own recollection, 50 years ago, a political oligarchy, and is still an industrial oligarchy. It is to the conservative side of the German people, therefore, as distinguished from the deposed German Government, that, along with the French and English and conservatives everywhere, we of America, who have proven our stability by 142 years of trial, must look for our allies in the struggle for social order that may not be confined to the east side of the Rhine if it once gets headway.

Very truly, yours,

PETER S. GROSSCUP.

Senator Hoke Smith, of Georgia, appeared before the subcommittee.

Senator OVERMAN. Senator, the committee will be very glad to hear you, and hear whatever statement you want to make to the committee.

STATEMENT OF SENATOR HOKE SMITH, OF GEORGIA.

Senator SMITH. Mr. Chairman and gentlemen, on Sunday there appeared in several of the morning papers references to the mention of my name in a letter or report that was presented on Saturday before your committee.

These newspaper accounts were quite vague, but stated in substance that among the many documents introduced before your committee one addressed to William Bayard Hale and supposed to have been written by C. M. Jacobs, of Chicago, gave an account of the work of the American Embargo Conference and referred to me as either

supporting the principles of the conference or giving moral support to it.

As I knew nothing about the American embargo conference or C. M. Jacobs, I applied to your secretary Monday for a copy of the paper which made reference to me. He did not furnish it to me until late yesterday afternoon, giving as his explanation of the delay the large number of documents put in evidence and the further fact that the one in which there were a few lines referring to me was very long and he did not succeed in finding it sooner.

I have now the paper before me. It is a typewritten communication addressed to Bayard Hale, signed "The American Embargo Conference." The paper is quite lengthy and refers to a great many different things connected with what seems to have been the work of this American embargo conference, which was described as seeking to build up public sentiment in favor of forbidding the shipment of war supplies to the allies.

The paper purports to have been written in July, 1915. The passage referring to me is in this language:

The visit of the press men gave us the opportunity to drive home the fact that ours was an American organization; that all of its members had to be voters; and when it was shown that the organization was receiving the moral support of such men as Senators Hitchcock, Works, and Hoke Smith, they departed satisfied that this was one organization that was not a "pro-German movement."

I only wish to say, Mr. Chairman, that I can not recall ever having heard of C. M. Jacobs before last Sunday. I knew nothing of the American embargo conference or its purposes. I never had relations, dealings, or communications of any character with it or its members. I never gave the organization support of any kind, and when the Hitchcock amendment, forbidding the exportation of war supplies to the allies, was before the Senate I voted to lay it on the table.

The subject of an embargo on war supplies was not before any committee upon which I served, and the only time—so far as I can recall—it was before the Senate I voted to lay it on the table.

Again let me say, I never had an connection with this association, and I never gave it any support at any time.

Senator OVERMAN. Do you not suppose, Senator, that this was a mere inference on account of the fight you made in the Senate in behalf of the shipment of cotton abroad?

Senator SMITH. Well, I was conscious of the fact that for a while in 1915, when I was seeking to enforce the right of American citizens to ship noncontraband goods through neutral ports into Germany and Austria, it was supposed and even charged by some that I was seeking to help the Germans. In point of fact, I was entirely indifferent to the Germans. I was moved solely by the fact that I believed rights of American citizens were being illegally disregarded, and especially by the fact that my own constituents who raised cotton had been cut off from a large market, many of them ruined in the fall of 1914 and the winter of 1914-15 by the low price of cotton caused in large part by the loss of their markets. I was conscious of the fact that the fight I was making in favor of my constituents was misjudged in some quarters, but I deemed it my duty to do what I could to secure for my constituents the right to sell their cotton in every market to which they were entitled.

Senator OVERMAN. And they at that time were almost ruined by the low price of cotton caused by the loss of markets.

Senator SMITH. In confirmation of your suggestion I may say I received letters during the winter of 1914 and 1915 every day—distressing letters—from men whose children were taken out of school, whose stock and farms were lost, who were just financially ruined by the unprecedented low price of cotton, due to the war and in part to the loss of one of their biggest markets, Germany and Austria. They had in prior years sold 3,000,000 bales a year into Germany and Austria, and the loss of that market, together with the big crop, put the price of cotton down below the cost of production. The suffering on the part of my immediate constituents was very great, and I agitated their right all through 1915 to get cotton into Germany and Austria. The hope that they might have a broader market and the threat to create a broader market helped somewhat the market price, and I believe it did induce British interests to come into the market in the fall of 1915 and take over a large quantity of cotton.

Senator KING. I suppose your position, in part, was this, Senator Smith, that a belligerent may not of its own volition determine that anything and everything is contraband and interdict the shipment to neutral nations of everything that they may denominate contraband.

Senator SMITH. That was one of my positions; but Great Britain stopped shipments six months before they undertook to make cotton contraband. Conceding that it was not contraband, they stopped it, and then they undertook to make it contraband. I cited England's own action in the Russian-Japanese War, in which Great Britain protested such treatment of her Indian cotton by Russia and forced Russia to permit that cotton to go free to Japan.

Senator STERLING. One claim was made, was it not, Senator Smith, that England found contraband concealed in bales of cotton shipped?

Senator SMITH. Yes; but I believe there was no truth in that claim. I challenged those making the claim to name a single instance and submit it to investigation. I do not see how cotton could be baled with copper inside of the bale. I never learned of an instance in which it was done. Cotton was seized on the ocean without regard to its being contraband or noncontraband. All shipments of cotton to enemy countries were stopped by Great Britain.

Senator OVERMAN. And afterwards there was a change of attitude, so that the people were saved from absolute ruin?

Senator SMITH. Yes; and, frankly, I believe that British agencies went into the market as large purchasers and helped to steady the price of cotton in the fall of 1915, making up, in a measure, for the markets cut off.

Senator OVERMAN. Then, for the crop of 1915 a reasonable price was paid?

Senator SMITH. By the fall of 1915 cotton went back to 12 cents.

Senator STERLING. What was the lowest price?

Senator SMITH. It had been as low as 5 cents. There really was no market at all for a while. It could not be sold always for 4 cents a pound.

Senator OVERMAN. You could not sell it at all.

Senator SMITH. The small farmer raised his crop on borrowed money and had to settle his debts in October and November. He had little market for his cotton in the fall of 1914. Where there was a

market the price did not pay what he had borrowed to make the crop. His horses went; his partly paid for land went, in many instances. In other instances the children were stopped from school, and the situation was pathetic. The letters that I received from my constituents all over Georgia during the fall of 1914 were distressing.

Senator OVERMAN. The banks sent telegrams here saying that they were threatened with bankruptcy, because they could not collect their debts.

Senator SMITH. Yes.

Senator OVERMAN. This money having been advanced by them to make the crop, they were in bad shape.

Senator SMITH. Had not the price of cotton risen in the fall of 1915 bankruptcy would have swept over the whole of the cotton-growing States.

Senator STERLING. Subsequently you got an unprecedentedly high price?

Senator SMITH. Subsequently the cost of production rose very greatly and the price, like prices of other things, was high. The price has not been higher for cotton in proportion to the prewar prices than for other agricultural products, and the cost of producing the crops has been larger in proportion, because the greater part of the increase in the cost of producing crops has been in the increased cost of labor. No other agricultural crop requires the amount of labor that cotton does. Every boll of cotton must be picked by human fingers, and from the time you start the crop until the time you put your cotton in the gin human labor attaches to it.

Senator OVERMAN. Notwithstanding that, when the resolution came up, you voted to table it?

Senator SMITH. Oh, yes; that was an entirely different thing. That was sending munitions to Europe.

Senator NELSON. I remember the incident very well. I was curious to see what you would do on the Hitchcock resolution, and you voted, as you say, against it.

Senator SMITH. Yes. My object was to force our rights, if I could, to ship noncontraband to Germany through neutral ports; rights that the President had asserted in his letter of March 31; but whether or not I succeeded in doing that I sought to keep up an agitation in the hope that the market might be strengthened. I also wished to impress upon the British Government, as far as possible, the extent to which they were oppressing a portion of the people of the United States by disregarding their clearly established rights and to induce more liberal purchases from London so as to steady and protect the market. I know that a more liberal price was accorded the cotton crop in the fall of 1915 by British interests.

This is the only paper before you that refers to me, so far as I know.

Senator OVERMAN. That is the only one.

Senator NELSON. Yes; that is the only paper.

Senator OVERMAN. Are you through, Senator?

Senator SMITH. Yes.

Senator OVERMAN. There have been some names mentioned in these records that have been sent here. Of course, we can not tell what is in the records before they are read. The names of numerous gen-

tlements have been mentioned and we have accorded a hearing to everybody who wanted to be heard in regard to it. Senator Hitchcock's name was mentioned, as well as yours, and he made a statement on the floor of the Senate, which is printed in the Congressional Record, and at his request I am very glad to have that statement put in the record of this committee. I hand it to the reporter for insertion.

Senator SMITH. I thought of presenting to the Senate the reference to myself, but I concluded the best course was to discuss it before your committee.

Senator KING. I think that this situation Senator Smith, illustrates the great danger that may result from a lax interpretation of the rules of evidence in the admission into records of hearsay, and oftentimes testimony that does not rise to the dignity of hearsay, and good men and innocent men are frequently misunderstood and misrepresented by that sort of testimony. We ought to be very careful in the admission of testimony that reflects upon people where the evidence is not valid or proper.

Senator OVERMAN. I want to say that this evidence having been furnished by the Intelligence Department of the Army and the Department of State, and most of it from the Department of Justice, was not voluntary. In pursuance of the resolution and under the instructions of the committee I requested, as chairman of this committee, that all the documents and evidence in regard to the brewers and in regard to German propaganda should be sent here by some agent of the department for investigation, and these names have come out in certain documents that were found in the Department of Justice, and it is not the intention of this committee to reflect upon anyone, and it accords to everyone whose name is mentioned here—and is glad to do it—a hearing. The mention of persons was not volunteered by any department of the Government, but comes about in response to letters that I wrote to these departments asking them to furnish evidence that they may have in regard to German propaganda, and, of course, documents are furnished and names are mentioned in the documents, as yours was, Senator, where there was just somebody who wrote a letter stating an opinion that different persons were in sympathy with them, as in your case. Of course, there is nothing to support such a suggestion in your case.

Senator SMITH. I understood that the Department of Justice did not put this letter in with any view of criticizing me, and the mention of my name was just incident to a long story about other things. Still, as it was in the letter, I wished the same record to contain my statement with reference to it.

Senator OVERMAN. We are very glad to put it in.

Senator SMITH. I am much obliged to you.

(The extract from the Congressional Record, presented by Senator Overman, is here printed in the record in full, as follows:)

[Congressional Record Dec. 10, 1918.]

PERSONAL EXPLANATION.

Mr. HITCHCOCK. Mr. President, I rise to a question of personal privilege.

The Judiciary Committee by direction of the Senate, is investigating the subject of German propaganda work in this country during the war. On Saturday before that committee certain evidence was produced by Mr. Bielaski and my name was so referred to as to justify me in making a brief comment.

The evidence in question consisted of a letter dated July 22, 1915, signed "Reiswitz," and sent to some one whom he addressed as "Your Excellency." We are told that Reiswitz was then the German consul at Chicago. His letter appears to give the so-called "excellency" information concerning a German movement in this country to stop the export of arms and ammunition. This movement was known as the Embargo Conference. In this letter Reiswitz mentions my name in the following paragraph:

"Among others, the following have agreed to cooperate: Senator Hitchcock, Congressman Buchanan, William Bayard Hale, of New York, and the well-known pulpit orator, Dr. Aked (born an Englishman), from San Francisco.

"Hitchcock seems to be very strong for the plan. He told our representative at a conference in Omaha, 'If this matter is organized in the right way, you will sweep the United States.'"

If his alleged "excellency" or Reiswitz himself had any intelligence, either or both of them must have known that I was myself the author of the bill to prohibit the export of arms and ammunition and that I had introduced it in the Senate more than eight months before the Reiswitz letter was written. They must have known that I had made a Senate speech upon it and that it had been debated in the Senate and discussed in the newspapers. They must have known that on February 17, 1915, I had offered my bill as an amendment to the shipping bill then pending and that my amendment had been defeated by a vote of 36 to 51. My position, therefore, in favor of prohibiting the export of arms and ammunition had been independently and publicly taken and was widely known months before Reiswitz discovered it and revealed it to his chief as a secret.

The part I took during 1914 and 1915 in favor of prohibiting the export of arms and ammunition during our neutrality has never been a subject of concealment or apology on my part. It became a campaign issue in 1916 when I ran for reelection, and the fact that I was reelected by a comfortable majority indicates that my course and my motives were understood and approved by the people of Nebraska.

My stand was taken in 1914 as an American for neutrality. The Germans in America took theirs by forming the Embargo Conference in 1915 as partisans of Germany. They were supporting my bill, but I declined to go to their conferences, conventions, or meetings, though I was often invited to appear as a speaker. I made my only speeches here in the Senate or in defending my course later before my constituents.

In those days, Mr. President, the country was under a pledge of neutrality by virtue of the President's proclamation made when the war broke out. We should, no doubt, have remained neutral, at least nominally and officially, if Germany had not by a series of outrages made our attitude first difficult and then impossible.

My attitude naturally changed with changing conditions.

I stood, first, for a strict, peaceful, and impartial neutrality even to the extent of selling no arms and ammunition and lending no money to either side.

Next, when Germany began a systematic attack on our commerce, I was ready to fight to protect our neutrality.

I supported the President's request that we authorize him to assert and protect our neutrality by arming our merchant ships, and I had charge in the Senate of what was known as the armed neutrality resolution, which died so dramatically here in the Senate at noon on March 4, 1917.

A month later, when the issue changed from armed neutrality to war, I had charge of the declaration of war, which was briefly debated and passed by the Senate April 4, 1917.

And so, Mr. President, like other Americans, I have passed from one phase of the situation to another—peaceful neutrality, armed neutrality, war. German conduct forced these changes not only in the case of public men as individuals but in the case of the country as a whole. This conduct was not wholly confined to the outrages perpetrated upon the high seas and in the war areas in Europe, but it included the criminal folly of German agents, whom Mr. Bielaski has been investigating. The latter exasperated American patience at home while German atrocities abroad aroused American resentment.

I have no disposition to criticize Mr. Bielaski for revealing all the secret correspondence of these German agents and conspirators with each other. It is evident, however, that they in correspondence with each other have used the names of a number of public men recklessly if not falsely. They reached the

climax of absurdity when they recorded Prof. Albert B. Hart, of Harvard, as one of the public men of America who would cooperate with them.

In my case they knew that I had refused to join their organization, refused to speak at their meetings, or even to attend them, though they were camouflaged as American.

I supported in the days of our neutrality the embargo idea as a Senator, as the publisher of a large newspaper, and as an American, but I declined to associate myself with those who became partisans of Germany.

Maj. HUMES. I have here a telegram from Hiram Moe Greene to the chairman, embracing a signed statement of Edward Lyell Fox, which, at the request of Mr. Greene, has been ordered to be made a part of the record.

(The telegram referred to is here printed in full, as follows:)

[Western Union Telegram.]

CHICAGO, ILL., Dec. 11, 1918.

Senator LEE OVERMAN,

Chairman, Investigating Committee, Washington, D. C.

DEAR SIR: I am sending a copy of a statement, unsolicited by me, from Edward Lyell Fox. This statement was sent me by Edwin Wildman, president of the Wildman Magazine and News Service, by which concern Mr. Fox was employed.

Mr. Fox states that the use of my name was not only without authority but that he never discussed anti-Japanese propaganda with me. This is the statement:

NEW YORK CITY, Sept. 8, 1918.

To whom it may concern:

I herewith state that the name of Hiram Moe Greene, involved in a document brought before the Overman Committee in the United States Senate on Dec. 6, 1918 by the Chief of the Department of Justice was not put in that document with the consent or knowledge of Mr. Greene. I further wish to state that at no time did Mr. Greene discuss Japanese propaganda with me, or so far as I know, with anyone else; and that a great injustice was done him by involving him in this manner. He is, so far as I know, completely innocent and the unknowing victim of an absurd scheme which was not original with me but in the preparation of which I assisted to the extent of copying and revising what another gave me, well knowing its absurdity and its purpose which was not to launch an intrigue against the Japanese but which was rather to enable a third person to swindle Captain von Papen out of a sum of money and then laugh at him, doing not one thing in the scheme proposed.

Mr. Greene was not a party to this and knew absolutely nothing about this and liberties were taken with his name, which it was not my idea to do and for which I am deeply sorry. The words pertaining to him were put into my mouth and only because I believed that nothing would ever come of a scheme so ridiculous, and only because I knew, I myself would never stand for it, should Papen be such a fool to sponsor it, did I stand for the use of Mr. Greens name.

(Signed) EDWARD LYELL FOX.

To this I wish to add that I never discussed Japanese propaganda with Edward Lyell Fox or anyone else, and to my knowledge never published propaganda of any character.

The Illustrated Sunday Magazine had a circulation of nearly two million copies, circulated by seventeen metropolitan newspapers and during my editorship for about three years none of these papers, their editors or publishers questioned my neutrality or Americanism, nor to my knowledge the partisanship or loyalty of the paper.

I never talked with a German agent, nor to my knowledge ever saw one. I have been an earnest, loyal, active participant in the loyal activities of the war and as such have received the finest commendations from department heads at Washington.

More than half of the money I have was put in allied (Russian) bonds early in the war, and I have been a contributor and active worker for all Liberty loan, Red Cross, Y. M. C. A., Knights of Columbus, and other Government plans.

Just in fairness and justice I ask you to incorporate this in your records

HIRAM MOE GREENE

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1655

[Western Union Telegram]

Boston Mass

Hon LEE S OVERMAN

US Senate Washn DC

I was United States Attorney until Oct nine seventeen afterwards Interstate Commerce Commissioner Have known professor Hart intimately many years His thorough going loyalty to the highest American ideals of speech and conduct are absolutely beyond question.

GEORGE W ANDERSON

Judge Circuit Court

[Western Union Telegram]

PHILADELPHIA PA Dec 10th, 1918.

Senator OVERMAN

The Capital Washington DC

Professor Albert N Hart is one of the public spirited men most in the public eye in our community and to my knowledge there has never been the slightest doubt of his loyalty and absolute Americanism

EDWARD A FILENE

[Western Union Telegram]

TOPEKA Ks 1918 Dec 10

Senator LEE OVERMAN

Washington DC

I wish to express my absolute and entire confidence in patriotism of Dr Albert Bushnell Hart There is not a more loyal American in all this country The recent mention of his name in a list of alleged progerman sympathizers does Dr Hart a cruel injustice

ARTHUR CAPPER Governor

A letter from Mr. E. C. Richardson to the chairman, ordered to be made a part of the record, is here printed in full, as follows:

E. C. RICHARDSON

PRINCETON, NEW JERSEY

December 7, 1918

The CHAIRMAN OF THE SUB-COMMITTEE OF THE SENATE JUDICIARY COMMITTEE DEALING WITH GERMAN PROPAGANDA.

SIR: In the matter of *Fuehr's list of names*, may I venture with all respect, to protest the record of my name in a context which suggests a share in German "propaganda." I am not an inconspicuous practitioner of historical criticism. As such, I have explored the documents on various live war topics and, on some of them, rather to my own dismay, have run across facts or reached conclusions contrary to the prevailing informations. Some of these facts and findings were in print, and it was doubtless these which Dr. Fuehr thought "important." They also brought certain requests for aid in propaganda which were declined as positively and promptly as courtesy allowed, although the purpose of the propaganda was patriotic. I explained that my role of critical research was one inconsistent with propaganda. I said that this permitted and required the fearless publication of findings however unpopular, but not the effort to influence action by emphasis of things favorable to one side. The refusal was received as courteously as it was intended. There was no hint whatever of compensation—indeed I believe financial aid was also invited and likewise declined. This was in 1915.

My ruling passion since the war began in 1914 has been, and is, concrete patriotic service, and I have not consciously neglected any opportunity to do my utmost. I think I could satisfy Mr. Bielaski that I have been *pro patria* with all my heart all the time and pro no other nation where interests conflict. I respect Washington's advice against excessive partiality or excessive dislike for any nation, but I believe that a strong partiality (without excess) for England has been owing her since Manila Bay, and by considerations of wise patriotism. Her brand of liberty seems to me the type nearest to the ideals of a moral universe, and it is our's. I returned in April 1914 from a winter

in Europe, convinced that in the struggle which every one then regarded as inevitable, America should and would sympathize with, and perhaps aid Britain. I am now convinced that the chief hope for an orderly world lies in a firm mutual purpose of England and America to act in harmony. I believe, however, that the last way to work in harmony with an Englishman is to beat him when he is wrong or to be "excessive" in sentiment.

I add that so-called critical research is simply a fact finding operation or investigation such as your Committee is conducting. If your Committee could draw the distinction between fact publication and propaganda in such a way as to leave honest historical critics free to make their researches without regard to the consequences of the facts that they find, it would, from my point of view, be the greatest service to the United States Government in its three branches, which could be performed at the present moment. Ignorance of facts or mistaken information is a poor basis for action, and poorer for judgment at any time.

Respectfully yours,

EARNEST CUSHING RICHARDSON.

Senator OVERMAN. Maj. Humes, here are some letters from various persons, in explanation of charges made against them, and other volunteering information on the subjects concerning which testimony has been taken before this committee. I turn them all over to you for examination, and will ask you to look at them with a view to placing in the record such of them as you think ought to go in.

Maj. HUMES. A great mass of similar letters has come to me.

Senator OVERMAN. There are a great many letters from all over the country trying to give information which is not information, etc.

Maj. HUMES. I will examine the letters.

Senator OVERMAN. At our last meeting we put in a letter from Mr. Untermeyer and one from Judge Levy, I think. Judge Levy has sent a telegram which I think you had better read.

Senator STERLING. I have here a letter which was sent to Senator Wadsworth by Prof. David Eugene Smith, and by Senator Wadsworth handed to me for use in this record, in which he protests against the use of his name in connection with German propaganda. Suppose you take that letter, also, Maj. Humes.

Maj. HUMES. I suppose where there are two letters from the same source, addressed to different members of the committee, there is no necessity to include both letters where they are practically the same and where one explanation will cover the situation in the record.

Senator OVERMAN. Only one letter will be necessary. I had a letter similar to the one spoken of by Senator Sterling.

Maj. HUMES. As requested by the chairman, I will read the telegram from Mr. Levy. It is as follows:

NEW YORK, N. Y., Dec. 12, 1918.

HON. LEE S. OVERMAN,

Chairman Senate Judiciary Committee,

Senate Office Bldg., Washington, D. C.

I find to my amazement in this morning's papers that your committee without proof or opportunity for explanation has placed upon its records and that there has been published a letter from one L. E. Miller containing a mass of garbled and untruthful self-serving declarations concerning me and the circumstances under which the Miller interest in "The Warheit" was purchased and concerning another paper called "The Leader" said to have been attempted to be purchased stop This same story and the same Miller letter to Mr. Untermeyer were published during the last mayoralty campaign here and were then fully exploited and exploded in the public press stop As a judicial officer I have felt it undignified to reply to newspaper statements but as this matter has now gone into your records I feel that an immediate opportunity should be afforded me to reply and before Mr. Miller starts on his announced trip.

abroad and ask that you give me that opportunity at as early a date as possible stop Meantime permit me to say that the facts are briefly that upon Mr. Miller's urgent and repeated insistence I was finally induced by him to introduce him to Mr. Untermeyer from whom he sought in my presence and upon the strength of Mr. Untermeyer's friendship for me to secure loan which he required to avoid bankruptcy which would have involved the forced sale of his interest in the "Warheit" which was then pledged stop

Mr. Untermeyer finally very reluctantly consented to make the loan out of friendship for me but advised Miller against taking the loan as he considered it a hopeless proposition stop He knew nothing about the merits of the loan and made no inquiry stop He did not suggest control of "The Leader's" stock stop That suggestion was made to him by Miller and Mr. Untermeyer expressed his willingness to have the control of the Leader placed in a third party's hands to secure the repayment of the stock on Miller's suggestion stop Subsequently Miller being again in great financial distress and owing a minority interest in the Warheit which was pledged and as to which the loan has been called offered the stock to me stop He had broken with his partners solely because of his demands for increased salary to which they refused to accede and there was no question of policy stop All this was in 1915 and early in 1916 stop I joined with his partners who owned the majority stock in buying his minority interest in the Warheit for fifty thousand dollars and borrowed thirty five thousand of that money from Mr. Untermeyer stop The balance of fifteen thousand dollars was furnished by Miller's partners and myself and we divided the stock up between us stop Thirty-five thousand of the fifty thousand we paid was used to take Miller's stock out of pledge stop The transaction was closed whilst Mr. Untermeyer was in South America stop His secretary advanced the money on his written instructions given before he left stop I have since repaid him fifteen thousand of his money and shall soon repay the balance stop That loan was made purely out of personal friendship for me stop Mr. Untermeyer never saw the Warheit or had anything to do with it or knew of the character of the security and I doubt if he then knew that there was such a paper or knows now where it is located stop He was satisfied with my obligation stop I consider it but common justice to me as well as to him that these facts should be promptly known and hope your committee will afford me an immediate opportunity of stating them under oath stop Kindly wire reply to two sixty four Madison Street New York City

AARON J. LEVY

Senator OVERMAN. I wish you would wire Mr. Levy that his telegram has been put in the record, and that if he desires to come down here and appear before the committee we shall be glad to hear him.

STATEMENT OF MR. LOUIS GARTHE.

Senator OVERMAN. Mr. Garthe, do you desire to make a statement in regard to the mention of your name before this committee?

Mr. GARTHE. Yes. Senators, I would not have bothered you by appearing before this committee at all except for the fact that the statement was made by Mr. Bielaski, inadvertently, I think, that there was nothing in the Courier to show that I was in any way connected with it. The natural inference was that I was doing this work for the little Courier behind the back of my employer. In fact, the senior Senator from Minnesota [Mr. Nelson] said that he knew Gen. Agnus, and he knew the Baltimore American to be truly loyal. Clearly the inference was then that I was writing disloyal, anti-Wilson, anti-American editorials. Senators, that is all I want to clear up.

If you will permit me, I have here one editorial, and there are a lot of them. Capt. Lester has the entire set of them. If you will let me read just this one editorial, it will be a sample of the kind of editorials that I wrote for the Courier. I did not write them all.

Senator NELSON. Excuse me. Please repeat what you said.

Mr. GARTHE. I said that I would not have troubled the committee to appear before you at all, Senators, but for the fact that Mr. Bialski stated that there was nothing in the Courier to indicate that I was in any way connected with it, and therefore the impression was created on the minds of the committee, doubtless, because of what you said, that you knew Gen. Agnus and knew the Baltimore American and knew that Gen. Agnus and the Baltimore American were entirely loyal. Therefore, the impression evidently had been spread that behind Gen. Agnus's back I was writing sneaking anti-American editorials. Gentlemen, I have been with Gen. Agnus for 30 years; we are almost like brothers. Here, after 30 years, if a newspaper man has got anything on God's earth, it is his name for being honest, decent, clean, and square. In the way this thing appears made me appear that after being this man's loyal friend for 30 years at the end of that time, at the time this country was in a crisis, I was writing disloyal editorials behind his back. Therefore I want to ask you to let me read one or two of the editorials that appeared in that little Courier. The Courier was a little society paper. You know the kind of paper. It printed pictures of all the ambassadors. I remember on one occasion it had a picture of the German ambassador, on another occasion a picture of Sir Cecil Spring-Rice, the British ambassador, and it printed a picture of the Russian ambassador, and pictures of all of them. If you will allow me to read just this editorial, it is printed in what we call a box, on the first page of the Courier, in 6-point black-face type. It is as follows:

STAND BY THE PRESIDENT!

In the crisis that confronts this country, the gravest since half a century ago when the very life of our country was threatened, there is only one sentiment and one thought in the hearts of the American people:

Stand by the President!

Until to-day the American people have been divided. Some of us have been pro-German; many of us have been pro-British. To-day there is not a man in this country who is aught but pro-American. For more than two years the American people have favored one or the other of the two great warring groups in Europe. To-day all America, from Porto Rico to the Philippines, crowd out of its heart all former judgment of the right and the wrong of war in Europe and centers its devotion on America alone.

For two years President Wilson, with infinite patience and consummate tact, has kept this country out of war, and kept us out of war with our honor unimpaired. He can be trusted to uphold American dignity in the future as in the past. At this moment the duty of every American is clear:

Keep cool and stand by the President!

Senator NELSON. What is the date of that?

Mr. GARTHE. February 3, 1917.

I knew nothing of the proceedings before this committee until I received a long-distance telephone call from my home office. Gen. Agnus said to me, "What in the world have you been doing?" I said, "What do you mean?" He said, "Here comes a story from the International News Service that you have been writing editorials for a pro-German paper and that you have been acting as collector for them, and I don't know what all." I said, "General, I don't know what on earth you are talking about. Let me come over and talk the matter over." I went over, and he said, "Louis, my boy, what have you been doing?" I said, "General, I don't remember"

single editorial. It is two years ago that I wrote them, but Mr. Lough is the managing editor. Let me make a statement to him." I made a little statement, which the New York Times and our paper were kind enough to print. Briefly, it was this, that I have written many editorials for the Courier, that they were 100 per cent American, that they were editorials such as an American would write for an American paper. Senators, I have read you a sample of them. I denied then and I deny now that I have ever been a collector for the Courier. I have never been. I went on to state then that because Mr. Lowe had hoped for the support of Germans in this country for his paper, but because the Germans turned down the paper, because they would not have it, because it did not contain the kind of talk they wanted, this paper failed.

Senator OVERMAN. Somebody wrote me a letter in which it was stated that Bernstorff had given you \$500 to give to Mr. Lowe, but he would not take it.

Mr. GARTHE. No; let me explain that, gentlemen. In one of Mr. Lowe's letters read before you he pointed out that Dr. Adler would not let him get to see the ambassador, that he was writing to his excellency because Dr. Adler would not let him get to see the ambassador. That was because Adler had no use for him and had no use for the paper. He did not see where Bernstorff was getting anything out of the Courier with this kind of editorials.

Senator WOLCOTT. The kind you wrote?

Mr. GARTHE. The kind I wrote; yes. He said there was nothing in it, and therefore Adler kept Lowe away from Bernstorff.

The financial matters between Mr. Lowe and Bernstorff were in the hands of John Clifton, who acted as a lawyer in behalf of the German embassy. The arrangement between Mr. Clifton and Lowe on behalf of the ambassador was that so much money was to be given by the ambassador for buying paper—it is expensive paper—and for paying the printers, and all that sort of thing. One day a shipment of paper came from Philadelphia, and attached to the bill of lading was a draft, I think for \$150 or \$200, whichever it was. I don't know. Lowe called up Clifton and Clifton had been called to New York. There was this draft that had to be met before 3 o'clock, and no money, and Clifton was away, so Lowe asked me if I would go up and see the ambassador and try to get that money. I said, "Yes; I will go up because you are up against it." I knew Bernstorff. I think I was the first newspaper man that met Bernstorff when he came here, owing to a curious situation. I went up and saw him and I said to him, "Your Excellency, Mr. Clifton has gone and Lowe is up against it, because his bill of lading has got a draft attached, and he has got to get that money. He then called Adler, and I heard the conversation between them. It was in German. I can speak German, although I was born in this country. Bernstorff said to Adler, "Have we so much money in the house?" He said, "Yes." Bernstorff said, "Give it to Mr. Garthe." I said, "No: I will not touch a penny of it. Do not hand it to me. You can send for Lowe." The draft was over in a Georgetown bank. I said, "You can send for Lowe, and Lowe can get that money, but I do not want it and I will not have it," and I never did get a penny of it.

In this connection, if you will permit me, Senator, there was a letter introduced by Mr. Bielaski, written from that expensive hotel in North Carolina. You know the name of it.

Senator OVERMAN. The Grove Park Inn.

Mr. GARTHE. The Grove Park Inn. The letter was written on Christmas Day, 1916, and he wrote his secretary to go to the embassy and get money, and then in the letter he said "Write Mr. Garthe for editorials."

Following immediately after that was read a telegram from him stating, "Have made deposit as requested."

Now, gentlemen, that letter was written on Christmas Day, 1916. Bernstorff left here in February, 1917. Lowe tried to run his little paper for three or four weeks afterwards, and went broke. Then he went to Baltimore and did his very best to raise money. Meanwhile they were seizing his furniture here, and on April 12 he telegraphed me, "Please deposit \$20 to my credit in the American Security & Trust Co.," and on April 12 or 13 I deposited \$20 to his credit. Mr. Bernstorff had gone in February. I deposited \$20 of my own good money in the American Security & Trust Co., and here is a letter from the American Security & Trust Co. which states the fact:

GARTHE EXHIBIT No. 1.

WASHINGTON, D. C., *December 12th, 1918.*

MR. LOUIS GARTH,
715 Riggs Building, City.

DEAR MR. GARTHE. In reply to your inquiry, we beg to advise a deposit of \$20 in currency was deposited of April 12th, 1917, with the American Security and Trust Company, Washington, D. C., for credit of Theo. Lowe.

Yours very truly,

CHAS. E. HOWE, *Treasurer.*

Senator WOLCOTT. You did that for your friend and acquaintance, who was in hard luck?

Mr. GARTHE. He was in mighty hard luck. He had lost everything he had. I think every Senator has done the same thing as I did then, when I deposited \$20 to his credit.

Senator STERLING. What was the date of your visit to Count von Bernstorff?

Mr. GARTHE. That I can not tell. Mr. Clifton can tell you that.

Senator STERLING. Can you fix the date approximately by referring to the date when Count von Bernstorff left?

Mr. GARTHE. It was before that.

Senator STERLING. How long before?

Mr. GARTHE. I should say it may have been in October or in November before he left.

Senator STERLING. You knew that Mr. Lowe was depending for aid upon the German Embassy?

Mr. GARTHE. Certainly; yes.

Senator STERLING. And that he was being partly financed by the German Embassy?

Mr. GARTHE. Partly financed by them; yes, I knew that.

Senator STERLING. You knew that while you were writing these editorials?

Mr. GARTHE. Yes; but as Bernstorff once said to me, and Adler also, "Wilson is getting it all."

Senator WOLCOTT. You did not have the control of the editorial columns?

Mr. GARTHE. No; he wrote some of them.

Senator WOLCOTT. All you were responsible for was what you wrote yourself?

Mr. GARTHE. What I wrote myself.

Senator WOLCOTT. And your position is that everything you wrote and put in that paper was pro-American, just as much so as this sample you have introduced in evidence?

Mr. GARTHE. Yes.

Senator STERLING. How frequently did you write?

Mr. GARTHE. I presume I wrote once a week.

Senator STERLING. Is it a daily paper?

Mr. GARTHE. No; it was a little weekly.

Senator STERLING. And you wrote once a week?

Mr. GARTHE. Yes; but frequently I did not write; because, as you can readily understand, sometimes I was busy. Sometimes the House was busy and the Senate was busy, and then we would have to go down and see the Secretary of State, the Secretary of Agriculture, the Secretary of the Navy; and there are many other things to do, and frequently I could not write anything for him, and he would have to write it himself; so, several of them are his, and not mine.

Senator STERLING. For the time that the paper ran, what proportion of the editorials were yours and what proportion were his?

Mr. GARTHE. I should say 75 per cent and 25 per cent, because sometimes late at night I would write him one and mail it to him.

Senator STERLING. You mean by that that 75 per cent of the editorials were written by you?

Mr. GARTHE. Yes. He would indicate if he wanted an article, for instance, on "Why Washington went dry," after it went dry. That, by the way, reminds me that there is a letter in which it is suggested that he was also being helped by the brewers. As a matter of fact, that editorial "Why Washington went dry," said it went dry because the feeling for prohibition in this country was due to the infamous dives and saloons which were the result of the greed and shamelessness of the distillers and brewers. If they were giving him any money, they were not getting much for their money. I should like to say right here that the paper had a number of editorials denouncing Mr. Viereck and Dr. Hexamer. Mr. Viereck, because of what his paper contained, and Dr. Hexamer, because he was president of the National German-American Alliance.

Senator OVERMAN. The Courier was rather a society paper, was it not?

Mr. GARTHE. Why, Senators—happily I have one here which has a very superior picture of Senator Overman, and a very splendid story [producing paper]. There was another one of Mr. Vance McCormick.

Senator WOLCOTT. I was not here when this matter came out at the last session, and I will ask you a question for information. Has anybody assumed to say that the Courier was a pro-German paper?

Maj. HUMES. Mr. Bielaski said it was financed by the German Embassy, and Mr. Garthe, I understand, agrees with that statement that it was financed by the German Embassy.

Senator WOLCOTT. But the material point is whether or not the paper, as disclosed by its contents, was pro-German or not. Has anybody scanned its issues to see whether it was?

Maj. HUMES. I never looked it up until yesterday, but I did examine it then, and we found considerable pro-German material in the paper. Whether Mr. Garthe wrote it or Mr. Lowe wrote it, there is considerable pro-German material in it. In that issue which Senator King has there is an editorial, following the *Sussex* incident, advising that Americans should stay off of boats.

Mr. GARTHE. Shall I read it?

Maj. HUMES. It begins about the middle of the second column, on page 3.

Senator KING. Is this what you refer to? [Reading:]

To this country at large the torpedoing of the *Sussex* again brings forward prominently the unpatriotic folly of those Americans who persist in entering recklessly into danger, regardless of all warning. In the present case, this country has been brought into imminent danger of war with Germany because of a score of Americans, some of whom have not even been in America for half a decade, and brought into that imminent danger at a time when the entire military resources of this country are already occupied in an enterprise which is straining our resources to the utmost. Every available soldier in the United States will be within the next fortnight either hundreds of miles in Mexico, or on the border ready to follow the men already there. Already nearly ten million dollars has been voted by Congress for the expenses of the punitive expedition and how many millions more must follow no one will venture to predict. Surely every American, with the least spark of love for this country, will subordinate at this time his personal plans, either of business or of pleasure, to the welfare of his country, and, for the time being, refuse to take passage on a ship which courts danger and whose destruction, by mine or by torpedo, may fan the present smoulders of resentment into the fierce flames of war.

Moreover, what will it benefit the relatives of some American whose death from a German torpedo throws the country into war? What satisfaction can be obtained from the knowledge that thousands of others may die on the battlefield? Will the sorrow of one heart be allayed by the knowledge that this death has brought equal sorrow into thousands of other hearts?

Mr. GARTHE. I wrote that.

Senator KING. That bears date of March 25, 1916.

Senator STERLING. You wrote that?

Mr. GARTHE. I wrote that.

Senator STERLING. You recall the fact that the sinking of the *Sussex* was the occasion of the President appearing before a joint assembly of the Congress in protest?

Mr. GARTHE. Subsequently; yes.

Senator STERLING. Setting forth how it was a violation of American rights?

Mr. GARTHE. Afterwards; yes.

Senator STERLING. That message followed very soon, a day or two, after the sinking of the *Sussex*.

Mr. GARTHE. It must be so.

Capt. LESTER. You commented favorably, editorially, on the exploit of the U boat *Deutschland* coming to this country?

Mr. GARTHE. Yes.

Capt. LESTER. And you praised Capt. Koenig and printed his picture?

Mr. GARTHE. Yes.

Capt. LESTER. Did you write that editorial?

Mr. GARTHE. Probably, the editorial; yes. So did hundreds of American newspapers praise the exploit. The Baltimore papers praised it. They made a great local story of it.

Senator OVERMAN. Is there anything else that you desire to say?

Mr. GARTHE. There is one other thing. In the statement Mr. Bielaski states:

In further looking up the record of Mr. Garthe I find that in 1912 Mr. Lowe met Mr. Viereck through Dr. Hugo Schweitzer.

Capt. LESTER. There is an obvious misprint of the name. It should be Lowe instead of Garthe.

Senator OVERMAN. That ought to be corrected.

Senator KING. You have brought into this record the name of Mr. Clifton.

Mr. GARTHE. Yes.

Senator KING. I do not know him; I never saw him so far as I know. We do not want to do an injustice to anyone.

Mr. GARTHE. No; I agree to that.

Senator KING. I do not think you ought to have brought his name in, but having done so you meant to state, as I understood you, that Mr. Clifton is a lawyer and was employed as a lawyer by the German embassy.

Mr. GARTHE. Yes.

Senator KING. You did not mean to give any other impression in respect to him?

Mr. GARTHE. Oh, no. In the record of last Saturday his name appears.

Senator KING. I did not know that.

Mr. GARTHE. Oh, no; I should not have brought in John Clifton's name, because I have suffered too much from this thing myself to want to drag in another man.

Senator KING. Because the embassy would have a right to have legal advice, the same as our embassy would be entitled to get legal advice in any nation where we have an embassy.

Mr. GARTHE. Certainly. I merely wanted to identify it, as his name appears in the record as being the counselor for the embassy.

Senator KING. The only reason I mention it is because so many people, if you say that A, B, or C was employed by the German Embassy, get the idea that necessarily that particular person would be pro-German, and I want the record to show that you did not mean that.

Mr. GARTHE. Not the slightest.

Senator KING. That is not the inference at all.

Mr. GARTHE. Not at all.

Senator KING. He merely acted in a legal capacity.

Mr. GARTHE. Purely.

Senator KING. As he had a right to do.

Mr. GARTHE. Purely.

Senator NELSON. That brings us to the other—moral—question, with which we have not anything to do in this case, whether an attorney is justified in defending a criminal under all circumstances.

Senator KING. Germany at that time was in amity with the United States; there had been no declaration of war. Their representative was here and our representative, Mr. Gerard, was in Germany.

Many distinguished men were stating that the relations between the nations were friendly. I can not see that there was anything immoral in the embassy hiring a lawyer to advise them, and I do not see anything immoral in a lawyer accepting employment at that time.

Senator STERLING. Unless the lawyer was a go-between between the embassy and Mr. Lowe, and Mr. Lowe was publishing a paper which was pro-German, receiving money from the embassy.

Mr. GARTHE. Yes; and because of Mr. Lowe's personal unpopularity with Dr. Adler the thing was being handled by John Clifton. I think that is hardly fair to put in the record, however.

Senator STERLING. I think that ought to go into the record.

Mr. GARTHE. That explains how it was.

TESTIMONY OF CAPT. GEORGE B. LESTER.

(The witness was sworn by the chairman.)

Senator OVERMAN. Capt. Lester, you were detailed by the Secretary of War to come here, at my request?

Capt. LESTER. Yes.

Senator OVERMAN. To furnish such testimony bearing on this German propaganda and the brewers as you had in your possession?

Capt. LESTER. Yes.

Senator OVERMAN. You are connected with the Intelligence Bureau?

Capt. LESTER. I am a captain in the United States Army, attached to the Military Intelligence Division of the General Staff.

Maj. HUMES. Capt. Lester, have you in your possession any telegrams sent from the German Embassy to the German Government relative to any newspaper in the United States?

Capt. LESTER. I have a copy of a telegram that was sent from the German Embassy on September 9, 1914, to the German foreign office in reference to the Chicago Tribune.

Maj. HUMES. Will you read that telegram?

Capt. LESTER. The telegram reads as follows:

Chicago Tribune friendly paper.

The original of that telegram is in the possession of the Government agencies and can be produced if necessary.

Maj. HUMES. You heard the testimony of Mr. Bielaski the other day in connection with the activities of one Edward Lyell Fox. I wish you would state whether or not you made an investigation personally of the activities of Mr. Fox, and secured a statement from him in connection with the investigation?

Capt. LESTER. I was ordered to take up the case of Edward Lyell Fox after he had been investigated by the Military Intelligence Division for some time. I accompanied him to New York by agreement with him that he would tell all the facts in connection with his work in Germany, and his work for the German Government, and turn over all papers and documents in his possession. He turned over a mass of papers and made what was considered nearly a full confession. We have never gotten the full facts from Mr. Fox, but we have gotten a great many connections that were not given in his previous confessions.

Mr. Fox was sent to Germany in 1915.

Senator NELSON. By whom?

Capt. LESTER. By the German Embassy, by an arrangement made through Count von Bernstorff, the German ambassador, Dr. Albert, and others representing the Germans in this country. He went ostensibly as an employee of the Wildman Newspaper Syndicate. Mr. Wildman believed that he was sending Mr. Fox as a writer. Mr. Wildman was innocent in the transaction, as far as we were able to find, but Mr. Fox was also employed by the Correspondents' Film Co., which was operated by Mathew B. Claussen as part of the German propaganda in this country, which film company was financed by the German Government. In addition an arrangement was made by the Hearst newspapers to employ Mr. Fox to write articles while in Germany, attaching himself to the headquarters of the Hearst service in Berlin, then managed by Mr. Schweppendick. He was to write articles and news for the Hearst publications. This arrangement is evidenced by a letter given to Mr. Fox by Mr. Bradford Merrill, who is the publisher of the New York American, on June 29, 1915. The letter is short. Shall I read it?

Senator NELSON. Yes.

Capt. LESTER. The letter is as follows:

LESTER EXHIBIT No. 1.

THE NEW YORK AMERICAN,
June 29, 1915.

Mr. E. NORGROVE COX,

"La Gazette de Hollande," Nobelstratt 20, The Hague.

DEAR SIR: This will serve to introduce to you Mr. Edward Lyell Fox, a special correspondent of the Wildman Newspaper and Magazine Service of the United States, who is also a valued special contributor of war articles to the New York American.

It is possible that Mr. Fox may have occasion to send news to you for forwarding by cable or mail, as the case may be, to our London Manager. Mr. W. Orton Tewson, 69 Fleet St., E. C., London. In such case, if you will be so kind as to communicate promptly with Mr. Tewson, we shall be greatly indebted to you and Mr. Tewson will make suitable recompense for any expenses incurred.

Very truly yours,

BRADFORD MERRILL, *Publisher.*

Mr. E. Norgrove Cox, in The Hague, Holland, was in charge of the European end of the Hearst news service—that is, the transmission end—what was known as the International News Service. Mr. Tewson, in London, had the English end of the International News Service. The western terminus of that was in New York. This is the news service which was operated by cable, which the English Government abolished in October, 1916. That is, the English Government refused to handle the Hearst news service or let it come into their country or have any of their representatives there from October, 1916, down to—well, I do not think the service has ever been resumed.

Senator WOLCOTT. A moment ago you said that this man Fox was sent over financed by the German propaganda organization; that the Wildman service was ignorant of that fact when it availed itself of the services of Mr. Fox, and you also said that the Hearst publications used Mr. Fox. You did not, however, in connection with the Hearst publications, say whether or not your information disclosed

knowledge on the part of the Hearst publications of the fact that Mr. Fox was financed by the German propaganda organization. Have you any information on that?

Capt. LESTER. I am not in position to state whether Mr. Hearst or the Hearst papers knew that Mr. Fox was in the pay of the German Government at the time he went over there or at any other time.

Senator WOLCOTT. Your allusion, then, to the Hearst publications in connection with Mr. Fox and his German connections was of no significance? You have no knowledge of it and do not know anything about it?

Capt. LESTER. I have no knowledge, and there is nothing in our records to indicate a knowledge on the part of Mr. Hearst, that Mr. Fox was paid by the German Government. There is evidence, which I shall shortly produce, that Mr. Fox was a propagandist for the Hearst American papers, that he acted under the direction of Mr. Schweppendick, the Berlin manager of the Hearst newspapers, in the preparation of articles, and sent them to America for publication in the Hearst papers, and they were published. I shall refer to that very shortly.

Senator KING. Did other newspapers of the United States, and other nations for that matter, have correspondents or send representatives of their newspapers to Germany at a time when our country was not at war with Germany?

Capt. LESTER. Oh, yes. There was a large number. I think from 1914 up to our entrance into the war there were at least 150 prominent newspapers represented in Germany. That is, not all at the same time; they were changing, different men were being sent in. All of the prominent New York and Chicago papers had representatives who stayed there almost continuously during the war period.

Senator KING. So that there is nothing improper in newspapers having reporters or representatives in belligerent nations?

Capt. LESTER. No, sir.

Senator WOLCOTT. Have you made a study of these articles that came out of Germany to these papers in this country?

Capt. LESTER. I have read the William Bayard Hale news items and articles that came later on to the Hearst publications, of which there are about 1,500. I think the messages came to the Navy Department. I have read about 200 of the Hearst editorials in the New York American during the war period, from 1914 down to date. I am familiar up to that point. I can not say that I made a study of it, because that would be a matter of a great deal of research.

Senator WOLCOTT. Yes; a voluminous task. But the point I had in mind was this: I was curious to know whether or not the news articles that came out of Germany from Mr. Fox and Mr. Hale were different in their complexion from the articles that came out of Germany from any of these other 150 correspondents.

Capt. LESTER. As to the news articles that were sent by Mr. Fox. I can say that they were entirely different in their character and in their make-up and the source of information from any articles that were published by other newspapers that I know of.

Senator WOLCOTT. You apparently do not know all of the others.

Capt. LESTER. I am speaking of other newspapers. I did not know that you included other newspapers when you asked me if I had made an examination of articles coming out of Germany.

Senator WOLCOTT. I meant from all of these 150 papers.

Capt. LESTER. The other papers I have read a great deal. I have read a great deal of matter that has been published in the newspapers coming from Germany since the war started, principally the New York papers, and a great many Chicago papers, and reprints in other papers.

Senator STERLING. And you found articles coming from Mr. Fox different from those others?

Capt. LESTER. Articles coming from Mr. Fox were sheer propaganda. They are admitted to be propaganda, and they are published by him, and written by him, without any foundation in fact as to one article, under direction of the German Publicity Bureau in Berlin, who understood from his being over there that his purpose in being in Germany as a so-called war correspondent was to write anything that they told him to write. He stated that to me and told me the instance of writing this particular propaganda article.

Senator KING. Where is Mr. Fox?

Capt. LESTER. He is in New York City. That is, he was the last I knew of him. I have before me an article written by Edward Lyell Fox, published in the New York American on Sunday, April 18, 1918, entitled, "Hands and feet of boys cut off by the Cossacks, says Edward Lyell Fox. Mutilation of children by retreating soldiers charged in official records. Evidences of atrocious acts found everywhere. Eighteen lads found maimed and lying helpless in the snow." Then follows a two-column—nearly a three-column—article, with illustrations, in which Edward Lyell Fox undertakes to represent that in the advance of the Russians on the eastern front through the Carpathians the Cossack troops mutilated boys and committed atrocities of a shocking character. The facts in respect to that article are these. I obtained from Mr. Fox his original notes written in lead pencil, that formed the basis of this article. He never saw an atrocity, never saw any of the events that he described, and he stated to me that these events in his opinion never happened, but he was told to write an article to counteract the information that was being spread through the American press at this particular time in respect to atrocities in Belgium.

Senator WOLCOTT. Told by whom?

Capt. LESTER. Told by a representative of the German Government whose name I have forgotten. Mr. Fox was in touch with the chancellor, Mr. Zimmermann, and various of the higher officials of the German Government. He had courtesies extended to him that other newspaper men were unable to get in the way of entrance on the firing front. He spent six weeks with a squadron in the German flying corps on the western front, rode in battle planes over France and Belgium, was at one time on the eastern front, and I obtained from him photographs taken of himself and German officers—I think there were something like 40 or 50 of these photographs—which indicated, outside of his statement and admission, that he was taken in as a part of the officers' groups, as much as a German. That is to say, he was under no surveillance whatever. He could go anywhere he wanted to. He was armed with passes from staff officers and from the war office, which permitted him to go anywhere in Germany, on any battle front or any part of the firing line that he wanted to, without hindrance.

Maj. HUMES. In that connection, let me ask you, did he or did he not admit to you that he was not on the eastern front and had no knowledge of the occurrences which are related in the articles you have just called attention to?

Capt. LESTER. No; he did not state that he was not on the eastern front. He was on the eastern front after these events had happened, the second trip he was over there; but in April, 1915, when this article was written, he was not on the eastern front.

Senator STERLING. And had not been?

Capt. LESTER. Had not been, and had no knowledge whatever; and he explained to me the purpose of this article, as I have stated, that it was written to counteract the disclosures which were then beginning to filter out, of the atrocities of the Germany army in their entry into Belgium; and this was the story.

Senator STERLING. Was there any editorial comment in the Hearst papers?

Capt. LESTER. No, sir, not that I have been able to find. All of the editorial comments—I have never seen any editorial comments on atrocities as described in this article, or in any of the Hearst publications that I have examined; and you will note in this article the publisher of the New York American takes pains to state in large letters, in the headlines, "Hands and feet of boys cut off by the Cossacks, says Edward Lyell Fox." He published it with that reservation.

Senator KING. Was there anything in the dispatch which he sent, to indicate to the recipient that the information that he got was obtained from Germany or was written at the request of Germany, or upon its face did it bear the impress of a genuine newspaper statement by a writer who was reciting what he had seen, or as to matter with which he was acquainted?

Capt. LESTER. There is no evidence to indicate that the writer of that article had any knowledge or reason to believe that it was paid for by Germany.

Senator KING. In other words, on its face it seemed to be an authentic and truthful report by a newspaper reporter?

Capt. LESTER. Yes, sir. Shall we put that in evidence?

Senator OVERMAN. The whole record?

Capt. LESTER. Yes.

Senator OVERMAN. No; I do not think so.

Capt. LESTER. I could make a summary of it.

Senator OVERMAN. Yes; you might make a summary of it and put it in.

Maj. HUMES. Are there any other similar instances?

Capt. LESTER. On the 25th of April, 1915, there was published, in the New York American, an article entitled "Prof. Stein, greatest peace apostle, warns United States of Japanese peril." This article was written by Edward Lyell Fox in Germany. Mr. Fox stated to me that this article was a result of an interview which he had with Prof. Stein, upon general instructions received from the publication he was representing; that is, the New York American. He was to play up, as the newspapers say, "Japanese stuff."

Senator NELSON. Was Stein connected with the New York American?

Capt. LESTER. Stein was a German professor.

Senator NELSON. He was a German intellectual?

Capt. LESTER. Yes; a German intellectual—a gentleman who was a specialist in Japanese affairs.

Senator NELSON. Oh, yes.

Capt. LESTER. And I might state in this connection that Mr. Fox worked with Mr. Schweppendick upon matters of policy. That is, if he was told by Schweppendick that they wanted a story of Hindenberg, he was given credentials and would start off and find Hindenberg. If he was told by the American that they wanted a story of the western front, he would be sent to the western front. If they wanted a Japanese story, at that time he would arrange with the Government officials to see the Japanese expert, who in this case was Prof. Stein.

Senator STERLING. And he received those instructions from Schweppendick, who you say was the representative of the Hearst papers in Germany?

Capt. LESTER. Yes, sir.

Maj. HUMES. He was the representative of the International News Service?

Capt. LESTER. No; he was the representative of the Hearst service. The Hearst service in Berlin went under the name of "Hearstschen Zeitungs-Unternehmungen, Amerika. Generalvertreter: Gustav Schweppendick." This is the Hearst News Bureau. That was its name.

Senator NELSON. And this Hearst bureau at Berlin instructed this man Fox to get up an editorial on the Japanese matters?

Capt. LESTER. Yes; they would give Mr. Fox his instructions which they had received on topics to be written on; and in this particular case they wanted an article on Japan, which article would be made in Germany, to be published in this country. This article which I have referred to was the one.

Senator OVERMAN. What is that article about?

Capt. LESTER. Prof. Stein attempts here to prove conclusively that a combination of Japan and China is imminent; that as a combined power they will arm, and be a menace to the United States and rule the world; what is commonly referred to as the "Yellow peril."

Senator NELSON. Yes.

Senator WOLCOTT. The professor did not put Mexico into that combination, did he, in that article?

Capt. LESTER. No; I think he eliminated Mexico. He talked of Japan as a world menace.

Senator NELSON. Japan and China?

Capt. LESTER. Japan and China in combination as a world menace.

Here is a letter that I would like to get into the record, written by Gustav Schweppendick to Edward Lyell Fox on July 27.

Senator NELSON. What year?

Capt. LESTER. The year is not given, but from other data it was in 1916 when Fox was over there, when he first went over. This letter reads as follows:

LESTER EXHIBIT No. 2.

(Berliner Bureau der Hearstschen Zeitungs-Unternehmungen, Amerika. Generalvertreter: Gustav Schweppendick)

BERLIN W. July 27.

Mr. EDWARD LYELL FOX,

DEAR MR. FOX: Your note of yesterday is at hand. I see you have secured two interviews which you are forwarding to Mr. Merrill. I also see you expect

to go to Warsaw. Well, I had made arrangements to have one of my men there, not knowing any of your plans at that time. So we may have two men at the spot.

Yours

GUSTAV SCHWEPPENDICK
Central Hotel.

Senator NELSON. Who was Mr. Merrill?

Capt. LESTER. Mr. Merrill's title at that time was publisher of the New York American. I think he is the manager of the Hearst publications. This was 1915 that this letter was written, by the way. It could not have been 1916. Mr. Fox's articles were also published in the Deutsches Journal, the German publication operated by Mr. Hearst, or the Hearst American papers.

Senator NELSON. In this country?

Capt. LESTER. In the United States; yes, sir.

Senator OVERMAN. Published whereabouts?

Capt. LESTER. Published in the city of New York.

Senator NELSON. A German journal; the Deutsches Journal?

Capt. LESTER. This article is devoted to a general discussion of the efficiency of the German Army. I have not had it translated. I do not know that you want it. I have had it read to me and there is nothing of particular value in it; it is simply the fact that these articles were being used in the Hearst publications. There is also another article in the Deutsches Journal of April 11, 1915, on atrocities in East Prussia, written by Fox.

There is another article written by Mr. Fox and published in the New York American on April 19, 1915, entitled: "A Night on the Firing Line Before Ypres; A Thrilling Narrative by Edward Lyell Fox."

This article is rather of a well written, fanciful account of his impressions while on the firing line at the western front, and is entirely a matter of creation. He was not there at the time the article was written, although he was on the western front on several occasions. He received general instructions that the reporting of scenes of this character would be acceptable, and he wrote them. This is simply a sample.

Senator OVERMAN. He admitted that he was writing from his imagination articles that he was told to—purely imaginative articles?

Capt. LESTER. Yes; most of them were imagination; that is, this was an article intended to be of that character. This is not a news article; it is simply experiences.

Senator OVERMAN. Written upon suggestion of the bureau?

Capt. LESTER. Yes. At one time, and in fact for considerable periods subsequently, he had been on the western front.

Senator NELSON. I suppose the gist of this article is extolling the powers of the German Army?

Capt. LESTER. All to the end of establishing conclusively the courtesy of the German officers, the wonderful discipline of and the care taken of the men, and the high state of assumed efficiency, and, of course, their invincible character.

Senator STERLING. You spoke about an article in the Deutsches Journal a while ago, and stated that that related to the efficiency of the German Army.

Capt. LESTER. Yes; that is a general article on the subject of the war, which might appear in any newspaper. I can have that translated and submitted if you like.

Senator STERLING. It is hardly worth while.

Senator OVERMAN. No; I do not think that is necessary.

Capt. LESTER. Here is another article published in the New York American on April 9, 1915, entitled "A Day and a Night on the Russian Front with Field Marshal von Hindenberg." This is an article describing some of the events on the Russian front. Mr. Fox claimed to me that he was on more or less intimate terms with Field Marshal von Hindenberg, had met him on several occasions, and had been accorded courtesies by him. The fact is that Mr. Fox was on the eastern front on two or three occasions, as indicated by the photographs we found among his papers or that were handed over by him. The articles are not of particular significance or value, except to illustrate the glories of the German Army and the wonderful character of Von Hindenberg. If you like, I can make a sort of summary of each of these articles and put it in. I can make it brief.

Senator OVERMAN. I think that would be better than to put in the whole article.

(The summary prepared by Capt. Lester is here printed, as follows:)

LESTER EXHIBIT No. 3.

Summary of Article Appearing in The New York American, Sunday, April 25, 1915.—Written by Edward Lyell Fox, Entitled "Prof. Stein, Greatest Peace Apostle, Warns U. S. of Japanese Peril."

This article is based upon an alleged interview by Edward Lyell Fox with Prof. Ludwig Stein, which interview took place in Berlin. Prof. Stein is described as being Germany's greatest peace advocate and a permanent member of the International Peace Bureau organized in Switzerland. Prof. Stein in the alleged interview deals with the subject of universal peace and his belief in it and then takes up the subject of a Chinese and Japanese menace.

The following quotation fairly summarizes the views of Prof. Stein on this subject as expressed in the article: "A nation must be prepared for war. If the rulers of a nation leave their country unprepared they are guilty of criminal neglect. In China its four hundred millions of people are unprepared and are therefore at the mercy of a few million Japanese who are prepared. That is because in this generation might is right and all that we workers for peace can do, without injuring our States, is to face the facts of this generation, be prepared for war, if war there is to be, and keep on working for our ideal."

Earlier in the article, Prof. Stein states: "Up to now America has been the student from Europe, but from now on America will be the teacher. Today doubly so with the Panama Canal you are the forepost of the white race against the yellow." "The geographical and moral position that your country holds imposes upon it a great duty. It is to hold back the East. Your country cannot step aside from the yellow races. You must be prepared to cope with them."

Summary of Article Appearing in The New York American, April 29, 1915.—Written by Edward Lyell Fox, Entitled "A Day and a Night on the Russian Front with Field Marshal von Hindenburg."—A thrilling narrative by Edward Lyell Fox, Author of Series of Notable Reports on Atrocities in East Prussia.

This article purports to be an account of an alleged trip by Fox with Rittmeister Tzschirner of the First Dragoon Regiment in a motor along the eastern battle front of the German Army. The article is written to indicate a dialogue between Fox and Tzschirner as they passed along a German battle front in which the latter is pointing out to Fox the position of the Army and the various matters of military interest. A vivid description of an alleged battle is given

in which the writer of the article witnesses a Russian attack which is repulsed by the German troops. The general tone of the article is indicated by the following quotation: "Still there is a tension that seems to be tightening. Down in the trench I see the flash of an officer's lamp; it is like a firefly. Other fireflies glimmer toward the right of the line, flashing and going out. Somewhere in the darkness a young voice laughs nervously. 'Why don't you open fire?' 'It is too soon' whispers the Oberlieutenant. Why did he have to whisper? And then I see the Russians. I see them in the great blinding flash of dusty lights. I see them revealed as pausing, blinking things, to whom the searchlights point with fingers of pitiless white. I see them—while all about me becomes the clamor of guns—stumble and fall; they stagger and crawl, as if the long, dusty flashes were lightning, striking them down; and wherever the white fingers point there death comes, and their hoarse throaty shouts become the wails of death and that open belt between the pines becomes lumpy with men, while the night grows horrid with the rattle of rifles and the quick, croaking beat of the guns." This being all over the Oberlieutenant gives his opinion of it—"Very fine" he says, "There are many Russian dead." "And then as is after all this were the important thing, he adds: "Tomorrow. I think we can build our entanglements."

Summary of Article Appearing in The New York American, April 19, 1915 - Written by Edward Lyell Fox, Entitled "A night on the Firing Line Before Ypres, Where the Fighting is Usually the Fiercest on the Western Front." A Thrilling Narrative by Edward Lyell Fox, Author of the notable series of reports on Russian atrocities in East Prussia.

This is a description of an alleged trip along the Western Front and the German Firing Line before Ypres. It is in the form of a diary and is claimed to have been written by Fox at the time the incident described occurred. The article deals with the high state of efficiency of the German Army under fire and the wonderful discipline among the officers and men. He describes the kind of food provided for the private soldiers and dwells upon the particular interest that the officers have in their troops. Colonel Myers is said to state to Fox: "Tell them in America that we are not barbarians." The article gives a vivid description of the German bombardment of the French trenches. He describes Colonel Myers as being in tears over the receipt of a letter and refers to a good looking private entering and saluting the Colonel, announcing that the concert was ready. Fox then describes a concert which took place in the bomb proof underground. The whole article tends to show the human side of the German character in war times and the efficiency and discipline of the Army and the feeling of good fellowship between officers and men.

Article Appearing in "Deutsches Journal" on April 11, 1915.—"Generals of the Zor Take Part in Atrocities in East Prussia."—"Officers Commit Crimes which One could not Attribute to Civilized People."

The neutral correspondent Fox declares that the Governor of the Zor is responsible for these atrocities. The Staff of the Commander in Chief of the Tenth Russian Army established an official harem. Hundreds of unfortunate women and young girls were held prisoners in the Hotel Skandzun at Tillkallen. The civil governor held his orgies here at which innocent girls were forced to take part. A woman was hung up by her feet because she refused to give wine to the officers. It describes the Imperial Government of the Czar Nicholas as being responsible for the atrocities committed in East Prussia during the three months' occupation of the Russian troops in a part of this province. Germany furnishes incontestable evidence of this effect. Germany also has proof that at least three Russian Commanders of Regiments took part in the outrages against innocent and helpless women and intends to make use of this evidence at the end of the war. On my trip through the districts of East Prussia, I had no difficulty in securing evidence of the most terrible crimes which were committed under the very eyes of the officers. The Staff Officers of General Sievers were quartered on an estate in Tillkallen. Everyday women were dragged to this estate. The Hotel Skandzun was made the official harem of the officers of General Sievers. Troops were sent out to capture young and beautiful girls and bring them to this hotel. Although it was only intended for fifty guests four hundred women prisoners were kept within its walls. For many this fate was worse than death. When I reached Tillkallen after Hindenberg had defeated the Army of 240,000 Russians, I found

it in a dreadful state. The houses were in ruins and everything of value had been removed. On a second trip to the front, accompanied by Major Zchirner, while waiting at Jucha, Fox comments on the rapidity with which trains passed carrying soldiers to the front, and claims that Hindenberg's success in defeating the Russians was due to the efficiency and speed with which he transported soldiers and executed surprise attacks. In an article to be published the following week, Fox promises to give details of the atrocities committed by the Russians on children of Germany.

Summary of Article Appearing in The New York American, Sunday, April 18, 1915.—Written by Edward Lyell Fox, Entitled "Hands and Feet of Boys Cut Off by the Cossacks," Says Edward Lyell Fox.—Mutilation of Children by Retreating Soldiers Charged in Official Records.—Evidences of Atrocious Acts Found Everywhere.—Eighteen Lads Found Maimed and Lying Helpless in the Snow.

Edward Lyell Fox, the neutral war correspondent with General von Hindenburg's army in East Prussia, today gives the third of his series of articles on Russian atrocities brought to light when the Germans drove the Czar's troops out of the occupied territory. Russian officers and soldiers are accused of mutilating children. The crimes are charged against Cossacks and not against soldiers of the Imperial guard.

Official records are given to substantiate further stories of attacks on women. The German Government plans to use these records when peace terms are considered.

BY EDWARD LYLEL FOX.

(Copyright 1915, by the New York American.)

The mutilation of German children by the Russians during their three months' occupation of East Prussia will be called to the attention of the other Powers at the end of the war as further proof that Russian barbarism must be prevented from further expansion.

I have already told of the profanation of thousands of German women by Russian officers and soldiers. Uncontrovertible evidence of these atrocities in affidavits and court records has been presented by me in two articles published in the New York American on April 4 and 11.

The crimes perpetrated upon the children are regarded by Germany as indicative of the same racial degeneracy exhibited in the wanton outrages upon the women.

In every instance it was the weak, the innocent and the unprotected that suffered.

When the nations lay down their arms and sit in judgment, Germany will point to all the horrors of Russian rule in East Prussia and demand that the rest of Europe be forever safeguarded against another bloody thrust of the claw of Slavic savagery.

EVIDENCES OF CRUELTY FOUND EVERYWHERE.

As I followed the troops of General Hindenburg in their triumphant drive against the crumbling Russian Tenth Army under General Russky last February, I found evidences everywhere of Tartar cruelty toward the children of an enemy's country.

The wild Cossack raiders were charged with most of these awful barbarities. They would pick up boys along the roads, wound and sometimes permanently maim them. They would tear babies from the breast of mothers and after violating the terror stricken women, cut off the fingers of the infants.

"We leave no one behind who will be a soldier," a Cossack prisoner told me. "We do not intend that Germany will raise up any more men to fight the Czar."

The article then goes into detail, showing specific cases of alleged atrocities by the Cossack soldiers, the evidence of which the article states was obtained by Fox, he being an eye-witness to many of the results of these atrocities and to have heard statements of Cossack prisoners in the hands of the German soldiers.

Capt. LESTER. In 1916 Mr. Fox was in Germany again. He went over in 1915 and spent about three months and returned in the fall

of 1915, and immediately went back in November, 1915, and stayed practically through the year of 1916. In 1916 the newspaper correspondents of important newspapers of different countries were taken by the German Government throughout the empire in a private train. They left Berlin and went to Dresden, to Munich, from Munich to Hamburg and to Kiel, and from Kiel back to Berlin. The object of the trip was to show the newspaper men the physical conditions in Germany, so that articles could be written to counteract statements in the press of the allied and other neutral countries that Germany was on the verge of starvation. These men were very liberally entertained in some 8 or 10 cities, and Mr. Fox was down on the list, of which I have a copy—the official list—as the representative of the Hearst publications in New York and Boston. I would like to have this go in the record.

Senator OVERMAN. Have you the whole list?

Capt. LESTER. I have the whole list; yes, sir.

Senator OVERMAN. Let it go in.

(The list referred to is here printed in the record in full, as follows:)

LESTER EXHIBIT No. 4.

(List der Teilnehmer an der Reise nach mitteldeutschen und süddeutschen Städten.)

1. Leiter: Direktor Schumacher, z. Z. in der Zentralstelle für Auslandsdienst Berlin.
2. Frau Dr. Lehr de Waal (verschied. holländische u. indische Zeitungen).
3. Fraulein Ebba van Sillén (Swenska Dagblad, Svensk Volkviljan) Stockholm.
4. van Lissa (Algemeen Handelsblad) Amsterdam.
5. Harry Carr (Los Angeles Times) Kalifornien.
6. Mr. Fox (Hearst Blätter) New York, Boston usw.
7. Major Sa (Corcio da Manhã) Brasilien.
8. Rev. L. M. Powers (Boston Journal u. and. Zeitungen) Boston.
9. Abrecht (New Yorker Staatszeitung) New York.
10. Philip Powers (Associated Press) New York.
11. Dr. Lar Llescu (Rumanische Zeitungen) Bukarest.
12. Siosteen (Südschwedische Zeitungen) Goteborg.
13. Djelepy (Semala) Athen.
14. Saadi Bey (Ikdam) Konstantinopel.
15. Olaf Selmer-Anderssen (Dagblad, Tidens Tigh) Kristiania.
16. Moussault Illustrationsphotograph (Vereenigde Fotobureaux) Amsterdam.
17. John Everets, Kinophotograph der Zentralstelle für Auslandsdienst.
18. A. Grohs, Illustrationsphotograph, Berlin.

Capt. LESTER. In possible response to Senator King's question as to what newspapers were represented——

Senator OVERMAN. What newspapers were represented?

Capt. LESTER. The Los Angeles Times was represented by Mr. Harry Carr. The Boston Journal was represented by Rev. L. M. Powers. A man who is down here under the name of Abrecht represented the New Yorker Staats Zeitung. Philip Powers represented the Associated Press. All other papers are foreign papers—that is, of different other countries.

Mr. Fox, in his letter to Capt. von Papen, which was read in evidence by Mr. Bielaski, makes reference to a propaganda scheme in conjunction with the plan of violence in San Francisco—the propaganda scheme being the publication through moving pictures of a film play which would illustrate the bitterness toward Japan. Mr. Fox, in the telegram which he has sent to this committee, criticised

this statement, as he did in his examination by the Military Intelligence, as a fanciful idea that never took shape in any form. He repudiates it, in other words. Now the facts are——

Senator WOLCOTT. Does he necessarily mean repudiation of the story? His criticism of it as fanciful may mean that it is his opinion that it is impractical, but that may not mean a repudiation of the statement of the fact that such a thing was contemplated.

Capt. LESTER. Well, in the telegram he repudiated the fact that such a thing was in contemplation. In the telegram to this committee he said that it was a scheme to extract money from the German agents. In fact, that is what he stated to me, that he and Dr. Karl Armand Graves, the man that wrote that famous spy story, had framed this up between them; that they had concocted this plan, and that they had done the writing and had sent it to von Papen with the idea that von Papen would take hold of it in a tangible way and compensate them for the plan, and then they were to drop out. In other words, he stated that he never had any idea of personally embarking in the enterprise, or Dr. Graves had no idea of personally embarking in it. But the fact is that Mr. Hearst, through the International Film Service Corporation, put out a film in 1916 called *Patria*, which exploited the very idea which was set forth generally in Fox's statement. I would like to make a brief statement as to the *Patria* film, as it was suppressed—that is, it was changed at the request of President Wilson, and was suppressed in Canada—as being German propaganda or having the earmarks of it and intended to stir up trouble between this country and Japan.

Senator STERLING. Was that the play shown in this country with Mrs. Castle in the title rôle?

Capt. LESTER. Yes; Mrs. Vernon Castle was the heroine.

Senator STERLING. The play was seen by the President, was it not?

Capt. LESTER. Yes; it was seen by him; and the report was—that is, our reports are—that in a personal interview he requested Mr. Hearst to eliminate features of the play, which was done.

"*Patria*" was a serial photoplay, released weekly in two-reel episodes, probably 10 weeks in all. It was made under the direction of the Whartons, in upper New York, for the International Film Service Corporation, a Hearst-owned company distributing film, later reincorporated as the International Film Service Co. (Inc.). It was made in 1916, and cost about \$90,000, including payment for the services of Mrs. Vernon Castle as the star. This is a conservative estimate.

"*Patria*" had a story with three barrels. Its principal excuse was "preparedness." But by the time the first episodes were released the country was already committed to that. Therefore only the other two elements, anti-Mexican and anti-Japanese propaganda, remained active. These showed the attempt by Japan to conquer America with the aid of Mexico. A Japanese noble, at the head of the secret service of the Emperor in America, was the chief villain. Japanese troops invaded California, committing appropriate atrocities.

"*Patria*" was first shown in New York January 9, 1917, and about that time in other cities. The American and other Hearst papers carried the story in serial novel form week by week. And the story was run—as is the custom with all serials—in a large number of newspapers, one in each city.

"Patria" was shown in the smaller towns and cities, the first four or five months of the war, I think up until about September 7, 1917.

Senator STERLING. The whole film was not run in one evening? It was like a story "continued in our next"?

Capt. LESTER. Yes; it was "continued in our next." The whole thing was to hold the patronage of the people at that particular theater, Senator.

Senator STERLING. Meanwhile the story itself was being published in these newspapers?

Capt. LESTER. The story itself was being published, so that the people who missed an evening, for any reason, could keep up and know where they were when they saw the next one.

Senator STERLING. You spoke about the revision of the story of the film after it had been witnessed by the President, and possibly upon the suggestion of the President. Do you know how the story was considered and treated in Canada?

Capt. LESTER. Yes, sir. After "Patria" had been revamped for use in this country by the elimination of the anti-Japanese emphasis, the word "Japan" was removed, the Japanese characters were largely given Mexican names, and the Japanese end was dumped on Mexico. That is, Japan was eliminated from the scenery.

Senator NELSON. And the Mexicans were made the villains?

Capt. LESTER. The Mexicans were made the villains, and they changed the whole piece over to Mexico, so that the Japanese had Mexican names; but in the film they were still wearing Japanese uniforms. [Laughter.]

Senator STERLING. That is just what I was going to ask you.

Capt. LESTER. Now, the history of the Canadian end was this: The Canadian rights of the picture had been paid for and secured by a reputable Canadian concern which had no suspicion of the possibilities of the production. Col. Chambers, censor of Canada, was given a private view of the first few episodes, and at once recognized the design of the promoters of the play. He declared that anyone concerned in the showing of this play in Canada in its original shape would be liable to presecution under the censorship Orders in Council. Consequently, the whole film underwent a remodeling. Japanese villains became nondescripts with Latin names, and Japanese interior settings as shown in the play, and Japanese troops that in the original were shown in deadly conflict with patriotic American troops, were entirely eliminated. In fact, when the picture was shown in Canada it did not retain the slightest Japanese flavor, and when the United States entered the war the Canadian version, even as censored, was taken out of the theaters, because the Canadian censor would not permit it to be run at all. Those films were taken back.

Senator STERLING. Have you stated who wrote Patria?

Capt. LESTER. I can not recall the name. Some of these gentlemen here may know it.

Mr. FROST. Vance's name was on the film.

Capt. LESTER. Yes; I recall that. The play was put out over the name of Mr. Louis Joseph Vance as being the author of the senario.

Senator STERLING. Do you know whether Mr. Vance conceived the idea or not?

Capt. LESTER. There has been information that has come to us that Mr. Louis Vance had absolutely nothing to do with the writing of

the play back of the scenario—and that he did not write it, and his name was used merely for its advertising value. That is merely information. I know nothing about it.

Senator STERLING. But, affirmatively, is there anything to show who did conceive it and who wrote it?

Capt. LESTER. No, sir; we have no evidence. I have none.

There are one or two other instances in Mr. Fox's connection with Germany that might be of interest to the committee. Mr. Fox was used by the German Government and by Dr. Albert and Count Von Bernstorff as a messenger, as a great many Americans were used, in the transmission of important communications to and from Berlin, between Berlin and New York. In 1916, upon his return with a bundle of very important documents which were given him by the foreign office to deliver here, he became possessed of certain of them, or copies of them, and took them to the British secret service in this country. That is, Mr. Fox's story is that another man had the papers, but he admitted to our officers that he took certain of these papers to the British. He gives rather a hazy account of why he took them to the British. He told me that on one occasion he had a thrill of patriotism, and thought that he ought to show up the Germans, but the British did not—

Senator NELSON. Warm up to him?

Capt. LESTER. Warm up to him very much, really. They strung him along for quite a while and got all the information they could out of him, and then when he started back in the fall of 1916 with a man by the name of O'Brian, to go back into Germany, something stopped Fox at Copenhagen. He did not get any farther. He was let by Kirkwall but was stopped at Copenhagen; but O'Brian got into Germany. I think O'Brian was connected with one of the moving-picture film concerns. O'Brian, as far as we know, is involved in no way. He was just going with Fox.

Senator NELSON. How did he come to be stopped at Copenhagen?

Capt. LESTER. Fox returned to the United States. Mr. Fox was known in the British Embassy as a messenger and trusted as a messenger by Von Bernstorff and also by the foreign office.

Senator STERLING. The papers he turned over to the British foreign office were papers from the German foreign office?

Capt. LESTER. Yes; and destined for Dr. Albert.

Senator OVERMAN. He kept copies of them?

Capt. LESTER. He told about four or five different stories on that. I think the fact was that he and another fellow thought they would perhaps get a little easy money by turning over these papers to the British, and I imagine, from what he also stated, that the British had already seen the papers and probably had copies of them before they arrived in this country. It looks that way, at least.

As bearing on the article written by Mr. Fox on Atrocities on the Eastern Front, I want to read a cable from the German Embassy in New York to the foreign office, dated April 29, 1915. [Reading:]

War correspondent Edward Lyell Fox asserts having filed with War Ministry Berlin by request report on Russian atrocities East Prussia and states Major Herwarth and Censor Roediger also informed. True?

If a reply came to the inquiry as to whether it was true that Fox had written this article and filed it, as was the custom, there is no record of it here; that is, there is no answer to that message.

In connection with the last trip of Fox and his stopping at Copenhagen, the Berlin foreign office apparently sent an inquiry concerning O'Brian, for this message goes back from the German Embassy to the Berlin foreign office:

Replying to wireless 422 (missing) have only known O'Brian as close friend of Fox and therefore consider him just as reliable as Fox.

Senator OVERMAN. You have no evidence of why Fox was stopped in Copenhagen?

Capt. LESTER. I have some evidence, but I never gave it any credence at all, because it came from Fox himself. He stated that he got to Copenhagen, after spending about a week on the ship at Kirkwall, and went to the American Embassy and told our ambassador that he was going into Germany; that is, he had known our ambassador on his previous trips; and he says for some reason that his visé was held up, that he could not get his passport viséed, to go into Germany, for days and days. He went to the German chargé there and could get very little satisfaction from them. Then he tried the British and got no satisfaction. According to his story, he waited around for two or three weeks and nobody made a move, so he returned. I never made any investigation through the British Intelligence Service as to why it was; of course, I know that Fox was on their list as a German agent—so considered. But, of course, our country was neutral at that time, he was an American citizen, born here, and he had a right to go from this country into Germany, and, as long as he was not on British soil, they had no jurisdiction over him. He could go and come as he liked.

There is one cable here which I can show the committee. I frankly can not explain what it means, but I will let you read it and see whether you want it in the record or not. [Showing telegram to the committee.]

Senator OVERMAN. Just read it, please.

Capt. LESTER. The following is a message from the German Embassy to the Foreign Office, dated December 27, 1915:

With reference to decree A. N. 56, promised Hearst and Chicago Tribune facilities Wiegly probably already Germany Hearst's photographer Nelsons left on Ford's peace ship Please instruct legation Hague facilities Edwards journey Germany.

Senator STERLING. To whom were these sent?

Capt. LESTER. Those were sent from the embassy to the German Foreign Office in Berlin. The Edwards referred to in this telegram is probably Louis Durant Edwards, private secretary of Dr. Hale, who left about this time.

Senator OVERMAN. Who is Mrs. Fairwell, mentioned in one of those telegrams I see there?

Senator WOLCOTT. That is in another telegram, not in the one just read.

Senator OVERMAN. Yes. It reads:

Chicago Tribune asks about Mrs. Walter Fairwell, correspondent (Mildred F.) in Monastir. (Answer safe)..

Capt. LESTER. Yes; that is another one. Well, that was an ordinary inquiry through the German Embassy, I suppose. I did not attach any particular significance to it. Do you want me to read it into the record?

Senator OVERMAN. No; you need not do that.

Capt. LESTER. I might, if the committee thinks proper, make a statement about Mr. Fox, about his conduct after the United States went into the war. I think possibly it is due to him to state exactly the facts.

Senator OVERMAN. If there is anything in his favor, let us have it.

Capt. LESTER. Mr. Fox turned over to me all the personal correspondence that passed between himself and his wife, and various other personal letters, during the period about March, 1917, down to August, 1918. Mr. Fox went to the Plattsburgh Training Camp and obtained a commission in the United States National Army, in an artillery regiment. I think he was commissioned as a first lieutenant, and afterward became a captain. We made a very complete investigation of his conduct while in the service, and as I stated, he turned over these letters and I examined them. There was nothing to show the slightest suspicion of any German connections, and Mr. Fox's statement made to me and to others, that he had burned his bridges behind him in the early part of 1917. I think, is true. He made a fatal blunder or mistake before the Military Intelligence Division. He lied consistently for five days, and swore to it, and it was not until his documentary evidence was discovered and found and placed before him, that he finally came through with a fairly full confession, and it was on that account, and of course the fact of his previous connections, that he was discharged from the Army. I think it is probably fair to him to state that there was nothing of any connections after March, 1917, with the German Government or any German agents, or anybody connected with Germany.

Senator WOLCOTT. He does not now wear the uniform, then?

Capt. LESTER. No, sir; he was discharged in either September or October, 1918, after a very complete hearing before the officials of the War Department. In fact, the case went to Secretary Baker.

Senator STERLING. How old a man is Mr. Fox?

Capt. LESTER. Either 33 or 34.

Senator STERLING. Was there any reference, in this correspondence turned over to you, of his past record and his activities as a German agent?

Capt. LESTER. No; he had no German connections, that I could discover, until the fall of 1914.

Senator OVERMAN. Do you know whether he had any reputation as a newspaper man prior to that?

Capt. LESTER. He had written quite a number of plays.

Senator WOLCOTT (after examining book). He is 31.

Capt. LESTER. Thirty-one?

Senator WOLCOTT. According to Who's Who.

Capt. LESTER. What is the date?

Senator WOLCOTT. Eighteen hundred and eighty-seven is the date of his birth.

Capt. LESTER. My impression was that he was 33.

Senator OVERMAN. It was a pretty close guess.

Capt. LESTER. He has written a good deal for the papers. He was employed on various newspapers in New York from time to time as a reporter, and he has written a number of scenarios for moving-picture plays.

Senator STERLING. You say he turned over to you the correspondence between himself and his wife after the beginning of the year 1917?

Capt. LESTER. Yes.

Senator STERLING. Was there any reference in that correspondence to his previous record or activities?

Capt. LESTER. No; none whatever. This correspondence shows that he was intensely interested in his military work; and he made reference in his correspondence in this sense, that he had made a terrible mistake in ever hooking up with the German group, and it contained statements that he expected to retrieve himself, and wanted to go to France, which he did. He was sent to France with his regiment, and returned from France upon the order of the Chief of Staff upon the discovery of his connection and the various ramifications.

Maj. HUMES. Does this complete the Fox matter?

Capt. LESTER. Yes.

Maj. HUMES. There was some testimony produced the other day by Mr. Bielaski with reference to the German information service, and the preliminary steps leading up to the organization of that service, the sending of German representatives to this country to man and manage it. Will you outline the preliminary steps that were taken as the result of your personal investigation and your familiarity with the records of the Military Intelligence, and outline these activities?

Capt. LESTER. There are a few things on the connection of the German information service as conducted by Albert and Fuehr and others associated with them that might be of value in this investigation which Mr. Bielaski did not touch upon because I do not think they had, perhaps, the information.

The Military Intelligence Division has obtained from one of Dr. Albert's assistants, who was selected by the German Government to come to the United States in August, 1914, with Albert, a great deal of information concerning the propaganda work of the Germans in the United States and elsewhere from 1914 on to the end of the war. This man, who was interned in 1917, was a German judge or jurist; that is, a man who was a judge in a court of record in Berlin in 1914, the year the war broke out. He was in the Government service. He came to this country, as I will explain a little later, and was interned. We obtained from him a very close insight into the formation of the German news bureau or information service, as it was called, from the time it started. The facts are these: The men who were in the German public service in civil positions, such as judges, members of the different municipal governments, members of the foreign office, members of other various departments, were required upon taking office to state whether or not they were available for foreign service. That was part of the system and has been, as I understand it, for a number of years. In June of 1914 there were about 200 or 300 of these men in civil positions, such as judges and men in municipalities, etc., who were occupying governmental civil positions, who were approached by agents from the foreign office and agents of the chancellor with an inquiry as to whether they were available for foreign service and certain formalities were gone through with.

inquiries were made as to their financial condition, etc., and their families, and there were selected about 130 men from Germany, from different German cities, who were to be sent on foreign service.

As early as the 10th of July, 1914, these men were taken to the foreign office, including our informant, and privately notified that they were to be sent abroad, with the point of destination. This man was told that he was to go to America. He and 31 others were destined for the United States.

Senator OVERMAN. That was before war was declared?

Capt. LESTER. Yes; that was before war was declared.

Senator WOLCOTT. Do you remember the date of the Sarajevo murder?

Capt. LESTER. It was in June, 1914; was it not?

Maj. HUMES. It was in June.

Capt. LESTER. Mr. Benham might look it up in the Times index.

Senator WOLCOTT. This particular piece of testimony that you are giving, that has some bearing upon the German prognostications of war, the immediate, proximate cause of the war being that murder. I would like to know whether that was——

Senator OVERMAN. That is very interesting testimony. Suppose we go along now.

Capt. LESTER. It is a little more definite than that, Senator, because this man and all his group that he was familiar with——

Senator NELSON. What was his name?

Capt. LESTER. I do not feel that I should disclose his name, Senator. The question of his deportation after peace or his remaining in this country is a matter, of course as to all these men, now under consideration, and if his connection was disclosed in a public record and it did get back to Berlin, it would be rather uncomfortable for him.

Senator OVERMAN. I think you had better not disclose it.

Senator NELSON. All right.

Capt. LESTER. Now these men were gathered together about the 10th of July and their instruction began. That is, these men were selected for their knowledge of English, Japanese, Chinese, Spanish, their adaptability along certain lines of writing, their legal experience, and particularly men were selected with reference to their literary attainments and their ability as writers and their historical knowledge. They were told, about the 10th of July—their group—that they were going to America; that there was to be a war in Europe very shortly; and their instruction began along the lines of the propaganda work that they were to conduct.

Senator STERLING. That was just a few days after the celebrated Potsdam meeting of high German officers.

Capt. LESTER. This date is definitely fixed by our informant as July 10, 1914.

Senator OVERMAN. Have you found the date of the Sarajevo assassination?

Capt. LESTER. It was June 29, 1914.

Senator OVERMAN. And this was when?

Capt. LESTER. This was the 10th of July, 1914.

Senator WOLCOTT. And this lot of men, over 130, got their instructions to mobilize at the foreign office some time early in June?

Capt. LESTER. Yes; they were approached early in June; during the month of June, before the incident——

Senator NELSON. Before the murder?

Capt. LESTER. Before the murder. They were all approached. This man was, and he tells me that every man was. As a matter of fact, he says it was common knowledge among men connected in Government circles, on the inside, that there was to be a general European war. It was absolutely known. On the 10th of July they were told that it was to come. Now, out of these 130 men, there was a large number sent to South America, a group was sent to Mexico, and a group was sent to China; but they all came by the same routes, and they—that is, the 31 men—all came in August, 1914, on the same boat that Dr. Albert arrived on. They arrived with him. The man arrived with him and 31 of his group; but the other were filtered along through by other lines to South America and these other countries.

Senator STERLING. How many were destined to this country?

Captain LESTER. Thirty-one.

Senator WOLCOTT. Did your informant communicate to you or not, whether the calling together of these 30-odd men on June 14 was a new event, or was that something that was in line with the permanent policy of the Imperial German Government?

Capt. LESTER. No; these men had never been called together before.

Senator WOLCOTT. Not this particular group; but do you know whether or not every year there was a systematized scheme to send out these officials over the world?

Capt. LESTER. No; there was not.

Senator WOLCOTT. This was the first time that this had been done!

Capt. LESTER. Yes, sir.

Maj. HUMES. May I interrupt there?

Capt. LESTER. Yes.

Maj. HUMES. It is my understanding from your former statement, Captain, that the general policy was to obligate certain persons in the Government service to accept foreign service at any time that the Government might demand it of them?

Capt. LESTER. No; not except in the military or naval service; and they indicated.

Maj. HUMES. They indicated, then?

Capt. LESTER. Yes: I stated that. Any man who went into the civil service was required to state whether or not he would accept foreign service in any capacity. In fact, the formality is rather elaborate that they go through with.

Maj. HUMES. In other words, when a man entered the Government service he was invited to volunteer for foreign service by signifying his willingness to accept that kind of service?

Capt. LESTER. Well, it is the same proposition, the same plan, that is adopted at the present time in the United States Army. A man indicates, when he enters the service, what his various qualifications are. If he understands foreign languages, if he would like to have foreign service, he is asked to indicate that. But in this particular case it is a civil formality. Of course, in the military and naval services they do not have to indicate. They are sent, and go wherever they are sent.

Senator OVERMAN. They have prepared a list of these officials that can be ordered away in foreign service?

Capt. LESTER. Yes, sir; they have a record or index system containing the name of every man in Germany that is in the civil service of the empire, wherever he is located, with his qualifications, his history, and everything connected with him, and on that record is his indication as to whether or not he would accept or desires foreign service—that is, outside of Germany proper. And those men are selected, for instance, for consular service, and men that are commercial attachés and have been in times of peace. But on this particular occasion, in response to your question, these men were rounded up—that is, the men who were skilled as writers and publicists were rounded up and these men selected from a large group, these men that came to this country, for the purpose of conducting the German propaganda along the lines of the propaganda that had been conducted in Germany for 20 years of the pan Germanism. These men had worked in this very type of propaganda, many of them for 15 or 20 years.

Senator OVERMAN. And they were preparing, even before war was declared, German propaganda in this country.

Capt. LESTER. Since 1894 the pan-Germanism propaganda has been systematically distributed from Germany over all the United States, South America, China, Japan, and every country.

Senator WOLCOTT. That prompts me again to ask whether or not this group of men that were summoned to go in June, 1914, were simply brought together to carry on a thing which had been proceeding for quite some time—you say it was since 1894—or whether it was to meet an emergency that was new, that was about to arise; whether it was to meet the special purpose?

Capt. LESTER. So far as is known, in the United States, outside of Prof. Münsterberg's type and Hugo Schweitzer, there was not any direct German propagandist work done in the country except through the German-American Alliance and the various State and local alliances that were affiliated with them.

Senator WOLCOTT. Did your informant enlighten you on this, or did he say anything to you that would give you information upon this, namely: Whether or not, prior to the year 1914, Germany had such agents as these 31 men in America, or in any other part of the world, carrying on German propaganda?

Capt. LESTER. Well, they had sent men into different countries systematically ever since 1894. That is, the exchange-professor idea was a propaganda idea.

Senator WOLCOTT. But that was not the sort of thing that was done here in June, 1914?

Capt. LESTER. No; quite different.

Senator OVERMAN. They had never selected a number like this?

Capt. LESTER. They had never selected a group for a definite purpose before.

Maj. HUMES. May I interrupt you a moment?

Senator WOLCOTT. Yes.

Maj. HUMES. Capt. Lester has already stated that they were instructed on the 10th of July that there was going to be a war in Europe.

Senator WOLCOTT. Yes; I know.

Maj. HUMES. So that entered as an element in the assemblage of these men.

Senator OVERMAN. We will stop here and take an adjournment until after lunch.

(At 1.10 o'clock p. m. the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met, pursuant to the taking of the recess, at 2.30 o'clock p. m.

Senator OVERMAN. The committee will come to order. Proceed, Maj. Humes.

TESTIMONY OF CAPT. GEORGE B. LESTER—Resumed.

Maj. HUMES. Capt. Lester, when the committee adjourned you were discussing the preliminary stages out of which the propaganda activities in the United States developed. Will you proceed with the statement where you left off when we took the recess?

Capt. LESTER. I stated that these men had been gathered together, and about 31 of them had been sent over here to the United States.

There is one point that I think will be of interest, and that is the preliminary instruction that commenced on the 10th of July in Berlin, to this group that were assigned for duty in the United States.

This was outlining to them by representatives of the German foreign office and the various German governmental bodies the lines of propaganda work that were to be carried on. This was done through a series of lectures and continued daily for many hours at a time; that is, just giving them the methods that they should adopt and the plans that should be put into operation. In fact, the plan of propaganda was reduced to a form of very elaborate memoranda for the different departments or sections that were to handle the work.

For example, there was a certain group of this body that came over that were to handle strictly the commercial end. These men were to get into communication with the agents and representatives of the Hamburg-American Line and the North German Lloyd Line and their various ramifications.

Senator NELSON. And, I suppose, the German consuls in this country?

Capt. LESTER. Yes. There was another group that was to affiliate itself with the political side, and work through the embassy and the consular agents on purely political propaganda.

Another section was to handle the propaganda in connection with the propaganda agents in China and Japan, South America, and Mexico.

The men selected for this were men who understood the languages. One man I have in mind particularly was an expert in the Chinese language, and could read and write it fluently, and Japanese, also, and was familiar with conditions in these countries.

That was what went under the name of Pan-Islamitic propaganda.

Senator NELSON. Captain, have you the names of these 31 men: and if so, is there any objection to giving them?

Capt. LESTER. There is an objection, Senator, to giving certain of them. I can give you the names of several. I can give you now offhand two or three of them.

There was a Dr. Mecklenberg, a Dr. Kraske, and a Dr. Bonn.

Most of these men went back with the diplomatic party. I have a list of all of the men who came over with Dr. Albert, or were associated with him, and also a list of everyone who went back with the Von Bernstorff party.

Senator NELSON. File those lists with the evidence, leaving out such as you feel ought not to be filed. Would not that be a good idea, Mr. Chairman?

Senator OVERMAN. Yes. Withhold those that you think ought to be withheld.

Capt. LESTER. Very well, sir.

LESTER EXHIBIT No. 5.

List of certain of the German group of thirty-one men who came to the United States as assistants to Dr. Feuhr and the German propaganda agents.

Dr. H. Meumann, Duisburg, about 45 years old.

Dr. Jos. Stern (assumed name—Pascher), Goerlitz, about 36 years old.

Max Ritter, Berlin, about 32 years old.

Dr. Hans Mack, Koenigsberg, about 38 years old.

Dr. Karl Fernow, Unknown, about 40 years old.

Felix Schelbe, Dresden, about 35 years old.

Dr. Selbmann, Berlin, about 45 years old.

Fritz Hoff, Muenchen, about 40 years old.

Walter Kuehne, Berlin, about 40 years old.

Richard Liskow, Karlsruhe, about 35 years old.

A. Neuberger, Heidelberg, about 45 years old.

Hans Schmidt, Essen, about 30 years old.

Mr. Keppler, Posen, about 35 years old.

Mr. Homann, Hamburg, about 40 years old.

Mr. von Borkowski, Berlin, about 30 years old.

NOTE.—The names in italics indicate that these men, in 1914, or early in 1915, went to Mexico.

The approximate ages are given at the time when they entered the United States in August, 1914.

LESTER EXHIBIT No. 6.

Revised list of principal persons in the suite of Count von Bernstorff who sailed from New York on the Scandinavian-American Line steamship Frederick VIII on February 14, 1917.

(List furnished by the State Department.)

Count Johann von Bernstorff, Ambassador.

Mr. Heniel von Halmhausen, Minister Plenipotentiary.

Prince Hatzfeld-Trachenberg, Counselor of the Embassy.

Mr. Heinrich Albert, Imperial Privy Counselor.

Mr. Wilhelm von Bletenghoff, Secretary to the Embassy.

Dr. George Ahrens, Attache to the Embassy.

Mr. Wolff von Igel, Secretary to von Papen.

Mr. Richard Sachse, Chief of the Chancellory.

Dr. Frederich Edler, Chancellor.

Mr. Paul Kuhn, Assistant Chancellor.

Dr. Wilhelm Breittling, German Consul, St. Louis, Mo.

Ernest Elchorn, German Consul, Savannah, Ga.

Baron von Relswitz, German Consul, Chicago, Ill.

Eric Hasenfelder, Attache German Consulate, N. Y.

Oscar Mezger, German Consul, Cincinnati, O.

Dr. Ohrt, Attache Cincinnati Consulate.

Mr. Paul Roh, Consul, New Orleans.

Mr. Julius Umbach, German Consul, Ponce, Porto Rico.

Dr. Mecklenberg, Former Secretary to Consulate General, Yokohama, Japan

Assistant to Dr. Fuehr.

Heinrich Plage, Former Secretary to Consulate General, Yokohama, Japan

Assistant to Dr. Fuehr.

Dr. Fuehr, Formerly Secretary at German Embassy, Tokio.

Kurt Zeigler, German Consul General, Denver.

Prof. Moritz Bonn (writer), Assistant to Dr. Albert.

Eric Zoepfell, German Consul, Seattle, Wash.

Captain Hans Tauscher, Accredited representative of Krupps, Germany.

In addition to the above were certain other consuls, consular agents, secretaries, messengers, friends, servants, etc.

Upon the arrival of this party in the United States, their instructions were to get into immediate touch with the Hamburg-American Line through the publicity agent, Mr. Matthew B. Claussen.

Mr. Claussen undertook with Dr. Albert the inauguration of the bureau known as the German Information Service, generally referred to as the German Press Bureau, at 1123 Broadway.

Arrangements had previously been made with Mr. George Sylvester Viereck to take charge of the party and see that they were looked after in New York and brought in contact with prominent German-American people; that is, I am not referring to all of them, but such as were to be detailed for specific duty in New York. Mr. Viereck arranged all the details, and hired the offices at 1123 Broadway, New York. They consisted of almost an entire floor for their general offices; and then above, on the next floor, which was the sixth floor, a suite of offices for Dr. Albert which was the general meeting place for conferences of Dr. Albert, and Boy-ed, and von Papen, and Dr. Dernburg when he came into the conferences, and other German agents. It was at this place, 1123 Broadway, that most of the conferences took place, although Dr. Albert's official office was at the Hamburg-American Line, 45 Broadway.

Senator OVERMAN. Was it hard to get into his office?

Capt. LESTER. If you are interested in that phase of it, I will explain about that, Senator. There was a man by the name of Bourgmeister who was attached to the Hamburg-American Line, and the information gathered was this, which I think is a fact:

Dr. Albert's office was accessible through the third-class passenger ticket office, by an elevator used by the employees of the Hamburg-American Line; and the password was "Bourgmeister." That is men who wanted to see Dr. Albert by appointment had to know the password, or they could not get in, and they had to come in in that way. Otherwise he was always out, because his movements were very much guarded.

He had not only the two offices, but he frequented an office at 60 Wall Street, New York, where Von Igel maintained his headquarters; and there were various other meeting places throughout the city.

In that connection I intended to state that this party left Copenhagen on the 4th of August, 1914, and arrived in this country on. I

think it was, the 15th of August. It was the same steamer that Dr. Albert and Mr. Hammerling came over on, as was testified here.

These men were filtered into the different grades of passengers. They were not all in the first class. They put some in the second class, and some in the steerage, and some in the so-called third class, and a few of them in the first class. The idea was not that they were not all entitled to come in the first class, but they did not want such a large body in one part of the ship; so that they scattered them around. That was prearranged, and a part of the plan of getting them here.

When they arrived they established telegraphic communication by direct wireless to Berlin through the Nauen wireless station in Germany, by way of Sayville, and direct to the headquarters at 1123 Broadway. That was a government wire—that is, a German Government wire—the Sayville service being part of the so-called wireless "trust" that is operated by Germany, or was operated by Germany throughout the war. These stations are all over in every continent and are numerous. Mr. Becker, I believe, will have some interesting information on that angle of it which I think the committee would be glad to have in the record.

The scheme of propaganda, so far as the visible end of it was concerned, was to write up each day a series of articles strongly pro-German in their character, which articles were compiled from German newspapers, German magazines, German books, American newspapers, and American books, and were built up together in what the Germans called a scientific propaganda article, meaning an article that insidiously presented the subject without slamming it too hard as a real advertising proposition. That is the reason that these 31 men were selected. It was on account of their skill in weaving a thought into an article from various sources.

For that purpose they had transported to them from Germany enormous quantities of German literature. It came in packages by express; the American Express handled many of them; they came by parcel post and by mail, and they covered the current German publications, the illustrated magazines, the humorous magazines containing cartoons and various so-called humorous articles, scientific publications, war books, and war articles in enormous quantities. These were brought to the country and specimens selected for use in the building up of these articles that I speak of. Others were shipped to different points in the United States for actual use by the consular service and those affiliated and associated with it who were working for Germany. Others were sent on to the coast, and we have evidence that enormous quantities of these publications were shipped from Berlin to Mexico and used in Mexico by the propagandist section that was working there under the minister, Von Eckhardt, who had a sort of a subbureau, in precisely the same way that they were used in New York. In fact, *La Pansa*, one of the violently pro-German Mexican publications, as an examination of its files will show, practically reproduced numerous articles that appeared in the German magazines.

In addition to those there were enormous quantities of postal cards sent over. I am speaking now not in the early stages, but all through. It continued during the whole time that the bureau was

in operation. These were sold in stores and distributed gratis. I have seen a great many specimens of these postals. All that were sent here that I have seen depicted the German Army and German officers and various battle scenes. They are all highly colored and very vivid. This was apparently a part of the scientific propaganda—that is, the picture part—that was used not only in this country but was used in Germany and through Italy, and quantities of it were introduced into France wherever possible and also into the neutral countries.

They seemed to attach a great deal of importance to the pictorial feature of the militant side, always bringing to the attention of the people who saw it the wonderful appearance of the German troops, and appealing to the eye.

It is now a matter of record, and can be told without hesitation, that the prisoners taken by the allies in practically every case had their pockets filled with postal cards and pictures of various kinds. There is no writing on them. It is a singular thing that in the large number of investigations that have been made by our division, in a number of which I have participated, many Germans, alien enemies, in almost every case we have found have enormous quantities of pictures and photographs and picture postals. It seems to be a sort of a mania to send these things, and they are all directed to the militant idea. I have gone through their rooms—in one case especially—where the four walls were literally plastered with these war pictures of soldiers in uniform, so that they will never forget the idea.

This news service, which was the visible part of the German propaganda, was prepared in manuscript form—typewritten, of course—in the office of Dr. Albert, and sent over to the American Press Association, which was run by a young man by the name of Courtlandt Smith, who Mr. Brisbane testified was his brother-in-law.

This press association did the actual press work. These sheets are a specimen. I can show you some of them to show the way they were gotten out.

Maj. HUMES. Who was represented as the producer and publisher of these bulletins?

Capt. LESTER. Matthew B. Claussen, the publicity agent of the Hamburg-American Line, was the ostensible publisher. His name is used, as you will note, at the head; and the address given is 33 East Forty-second Street.

Maj. HUMES. Approximately when did this service commence?

Capt. LESTER. It commenced practically immediately after their arrival, about the 1st of September. That is, not in this identical form. This came along in, I think, September or October. It was under way. They were about three months in organizing.

These sheets were sent to every newspaper in the country that it was thought would print them or use the copy. They were sent gratis. It was a gratis news service, and they could publish all or a part of it; and through the Hamburg-American Line agencies, which were scattered all over the United States, and the consular service of the German Government, and the innumeral volunteer assistants, a very close record was kept of the personnel of newspaper management.

They went, as we have found, to the lengths of getting complete records of not only the editors but press men; reporters were espe-

cially the mark of their attentions; news gatherers, the stenographers, telephone operators, and office help.

I have in mind one case where a complete history of an organization of about 30 people came to my attention. They knew more about the personal history of that particular newspaper organization than the editor of the paper himself.

Of course the idea was obvious, that they could get information through this source; and the connecting links in the different communities were volunteers who worked for the German consular service. For example, in Cincinnati, Ohio, they had a man by the name of Mezger there, and he had a fairly good-sized force that were a part of the consulate; and investigation disclosed the fact that he had over 300 people working for him through Ohio and elsewhere as volunteers in getting information of every nature and description; that is, people who were favorable to the cause of Germany and who wanted Germany to win, and had come to the consulate and had volunteered their services to assist in any way, and were ready for call. This, of course, was outside the Germans who had registered at the consulate in August, 1914, for military service.

One German consulate list that I happened to see in Boston showed that there were something like a thousand or twelve hundred who had registered in the city of Boston for service in New England. Their names were recorded and the record of their life history was taken down, their connection with business houses, and publicity concerns especially, the particular lines that they were skilled in—whether in languages or anything of that sort—and at the end of this record, which was on a large sheet, was the particular class of work that they were qualified to do.

These classes not only included propaganda work but men who had volunteered to stay in this country and work in munition plants, to stay in this country and get information of a military character, and form part of the silent army that Germany had over here up to the time war started, of which there were two or three hundred thousand working right with them all the time.

Senator NELSON. Would it not be a good plan, Senator, to put in one of these sheets as a specimen?

Senator OVERMAN. To put in the whole sheet?

Senator NELSON. Or to put in part of it.

Senator OVERMAN. Suppose we let Capt. Lester select one.

Senator NELSON. Yes, Senator, let him select one and put in the record one of these sheets.

Capt. LESTER. Very well, Senator. I will do that.

(The paper referred to was marked "Lester Exhibit No. 7." and is here printed in the record, as follows:)

LESTER EXHIBIT No. 7.

There is submitted herewith memorandum prepared from the files of the Department of Justice showing the number of German male alien enemies who registered in the United States on February 4, 1918, pursuant to the President's proclamation of November 16, 1917.

STATISTICS CONCERNING THE REGISTRATION OF MALE GERMANS IN THE UNITED STATES (EXCEPT IN ALASKA, HAWAII AND PORTO RICO).

The table below shows the total number of German male registrants in the United States, in the several states (arranged alphabetically), with corre-

1690 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

sponding percentages. In addition, it also shows the German-born male population of the United States in 1910 (arranged by states alphabetically) with corresponding percentages.

No figures for the German-born male population are given for Alaska, Hawaii and Porto Rico because the Census did not give the data. The German registration figures were obtained from the Department of Justice and are complete except for Alaska.

States.	Military department.	German male registrants.	German-born male population in 1910.	Per cent German male registrants.	Per cent German-born male population in 1910.
United States.....		254,058	1,337,775	100.0	100.0
Alabama.....	S. E.	447	2,183	0.2	
Alaska (incomplete).....	W.	294		0.1	
Arizona.....	S.	459	1,343	0.2	
Arkansas.....	S. E.	932	3,491	0.3	
California.....	W.	12,205	46,136	4.9	
Colorado.....	C.	1,277	10,071	0.5	
Connecticut.....	N. E.	3,178	15,994	1.2	
Delaware.....	E.	256	1,369	0.1	
District of Columbia.....	E.	89	2,743	0.04	
Florida.....	S. E.	648	1,553	0.2	
Georgia.....	S. E.	355	1,948	0.1	
Hawaii.....	H.	207		0.08	
Idaho.....	W.	594	3,271	0.2	
Illinois.....	C.	20,811	167,083	8.3	
Indiana.....	C.	10,849	33,264	4.3	
Iowa.....	C.	5,964	54,693	2.4	
Kansas.....	C.	3,225	19,662	1.3	
Kentucky.....	C.	1,029	9,984	0.4	
Louisiana.....	S. E.	1,021	4,697	0.4	
Maine.....	N. E.	324	751	0.1	
Maryland.....	E.	3,325	18,119	1.4	
Massachusetts.....	N. E.	3,836	15,714	1.5	
Michigan.....	C.	16,875	68,399	6.7	
Minnesota.....	C.	7,859	60,009	3.2	
Mississippi.....	S. E.	160	1,051	0.07	
Missouri.....	C.	5,890	48,282	2.3	
Montana.....	W.	1,493	5,736	0.6	
Nebraska.....	C.	7,167	32,239	2.8	
Nevada.....	W.	326	1,322	0.1	
New Hampshire.....	N. E.	238	1,103	0.09	
New Jersey.....	E.	16,226	63,969	6.4	
New Mexico.....	S.	233	1,134	0.09	
New York.....	E.	50,467	225,175	19.8	
North Carolina.....	S. E.	139	664	0.06	
North Dakota.....	C.	1,141	9,880	0.4	
Ohio.....	C.	9,259	50,730	3.6	
Oklahoma.....	S.	778	6,180	0.3	
Oregon.....	W.	2,227	11,258	0.9	
Pennsylvania.....	E.	14,620	101,206	5.7	
Porto Rico.....	E.	75		0.03	
Rhode Island.....	N. E.	412	2,289	0.2	
South Carolina.....	S. E.	221	972	0.09	
South Dakota.....	C.	1,814	12,621	0.7	
Tennessee.....	S. E.	385	2,322	0.1	
Texas.....	S.	6,290	24,964	2.5	
Utah.....	W.	725	2,198	0.3	
Vermont.....	N. E.	122	444	0.05	
Virginia.....	S. E.	473	2,586	0.2	
Washington.....	W.	3,441	18,599	1.4	
West Virginia.....	C.	386	3,594	0.1	
Wisconsin.....	C.	32,899	122,927	12.9	
Wyoming.....	W.	392	1,553	0.1	

Capt. LESTER. I have here a number of original copies of the new sheet prepared by the German information service conducted by Dr. Fuehr and suggest that these be examined by the committee as they will show the character of the prepared propaganda articles put out by Dr. Fuehr and his group to the newspapers and other publications during the period from the latter part of 1914 to 1916.

LESTER EXHIBIT No. 8.

GERMAN INFORMATION SERVICE, M. B. CLAUSSEN.

[30 East 42nd Street, New York City. 256—August 23.]

TO THE MANAGING EDITOR:

The material sent herewith is offered for publication without charge and is released for use upon receipt.

This bulletin is issued daily, except Sundays. Its contents come only from reliable sources, chiefly the press of the European capitals. The authority for every story is clearly indicated. In view of the British censorship of war news, it is believed that this sheet will be found an invaluable supplement to the regular news reports enabling papers to give a more comprehensive picture of events.

We shall be glad to supply photographs, maps or cuts of any illustrations appearing on the sheet, upon request, by mail or telegraph.

We shall appreciate the courtesy of a place on your exchange list.

"BELGIAN GUARANTEE DOES NOT EXIST"—LATE WILLIAM T. STEAD, ENGLISH EDITOR AND PUBLICIST, POINTED OUT TREATY OMISSIONS.—"BRITAIN NOT BOUND TO ACT."—NO OBLIGATION EXISTED; HE DECLARED, FOR ENGLAND TO UNDERTAKE DEFENSE OF BELGIUM.

London, Aug. —.—The British pretext for taking part in the great war, her alleged determination to protect the neutrality of Belgium, is in striking contrast with previous British policy, says the London Labor Leader, the great trades union organ in England, which recently reprinted the editorial from the London Standard, the organ of Lord Salisbury, then Tory prime minister, which pointed out that the German invasion of Belgium was a military necessity and called for no action by England. The Labor Leader now republishes an editorial on this subject from the Pall Mall Gazette, then edited by the late William T. Stead, whose aggressive Liberalism on the subject of small nationalities and sacredness of treaties is well known. Mr. Stead wrote as follows:

ARE WE BOUND TO INTERVENE?

"The gist of the utterances on the neutrality of Belgium may be summed up in two propositions:

"First.—England is under a treaty of obligation to defend the neutrality of Belgium.

"Second.—But circumstances have altered since the contraction of the said obligation, and as against Germany, at any rate, England must pocket its pledges and allow France to be invaded through Belgium without protesting or interfering.

"Considerable importance is likely to be attached to these conclusions. Each of the propositions laid down is, it will be seen, likely to be taken hold of. Germany might read the second as an invitation to invade France through Belgium; France might read the first as an admission of our obligation to prevent or, rather to punish, such an infringement of neutral territory if we dared.

"It becomes important, therefore, to point out that argument rests on a false assumption. We do not for the present argue whether in the contingencies contemplated it would be England's interest to intervene by declaring war against whichever belligerent might violate the neutrality of Belgium. We confine ourselves to the preliminary statement—essential for clearing up the case—that it is not England's obligation to do so.

CONFUSION OF TREATIES.

"The origin of the mistaken views prevailing on the question is undoubtedly a confusion between the special treaty of 1870 and the preceding general treaties of 1831 and 1839, which it temporarily superseded. By the treaty of 1870 the obligation of England was, of course, clear and specific. Here is a pledge which was given in the identical treaties concluded with both France and Prussia:

"Her majesty the queen of the United Kingdom of Great Britain and Ireland declares that if during the said hostilities the armies of France (or Prussia) should violate the neutrality of Belgium she will be prepared to co-operate with Prussian majesty (or the emperor of the French) for the defense of the same in such a manner as may be mutually agreed upon, employing for that purpose her naval and military forces to insure its observance.

"There could be no doubt about that pledge, but then it expired twelve months after the conclusion of peace. At the expiration of that period, so the treaty continued:

"The independence and neutrality of Belgium will, so far as the high contracting parties are respectively concerned, continue to rest, as heretofore, on the first article of the quintuple treaty of April 19, 1839."

ENGLAND NOT OBLIGED TO ACT.

"Now, what some people do is to read this treaty of 1839 by the light of the more specific treaty of 1870 and to deduce from the former the same obligation on the part of England to intervene against any infringement of Belgium's neutrality as was contained in the 1870 treaty.

"This, however, is a completely untenable proceeding. The treaty of 1839 must stand on its own legs, and these, it will be seen, are by no means very strong. The following are the terms of its second article:

"His majesty the emperor of Austria, king of Hungary and Bohemia; his majesty the king of the French, her majesty the queen of the United Kingdom of Great Britain and Ireland, his majesty the king of Prussia and his majesty the emperor of all the Russians declare that the articles hereby annexed to the treaty concluded this day between his majesty the king of the Belgians and his majesty the king of the Netherlands, Grand Duke of Luxemburg, are considered as having the same force and value as if they were textually inserted in the present act and that they are thus placed under the guarantee of their majesties.

BELGIAN NEUTRALITY DEFINED.

"Here, then, we are sent off from the treaty between the great powers to the treaty between Belgium and the Netherlands. The seventh article of this treaty (which is identical with the same article of the 1831 treaty) runs:

"Belgium will form, within the limits indicated in 1, 2 and 4, an independent and perpetually neutral state. She will be bound to observe this same neutrality toward all other states.

"In this treaty it will be seen there is nothing about any guarantee. All that can be elicited from it and from the one cited as referring to it is this—that this clause is placed under the guarantee of 'their said majesties'—that is England, Austria, France, Germany and Russia.

"But that is not all. This constructive guarantee must be considered in relation to the party to whom it was given—namely, to the Netherlands—for the treaty of 1839 was one between the five powers on the one hand and the Netherlands on the other, and what the five powers did was to guarantee to the Netherlands the treaty contracted between it and Belgium, one clause of which treaty said that Belgium should form 'an independent and perpetually neutral state' and should 'be bound to observe such neutrality toward all other states

NO BRITISH GUARANTEE EXISTS.

"In the treaty of 1831, it is true, there was a further article guaranteeing the execution of all preceding articles, including, therefore, the one just cited in similar terms from the 1839 treaty, to the king of the Belgians, but in the 1839 treaty, on which the independence of Belgium is now said to rest, Lord Palmerston omitted any such guarantee.

"There is therefore no English guarantee to Belgium. It is possible perhaps to 'construct' such a guarantee, but the case may be summed up as follows:

"First.—England is under no guarantee whatever except such as is common to Austria, France, Russia and Germany.

"Second.—That guarantee is not specifically of the neutrality of Belgium at all.

"Third.—That guarantee is given not to Belgium, but to the Netherlands."

WOUNDED BRITISH SOLDIER PRAISES GERMAN RED CROSS.

Frankfort, Aug. —.—The following extracts from the diary of an English prisoner of war who in his civil calling is a bank clerk, addressed to his London bank president, are published in the Frankfort Gazette:

"I enlisted in the first line of the Seventh battallion with some 100 friends and acquaintances to form a company of 'pals.' Among them were lawyers

bank clerks, teachers, office clerks, etc. We enlisted with about 200 more men with the intention of taking the place of 200 other soldiers who during the mobilization refused to enlist for 'foreign' service. We remained at home until the end of September and were drilled during this time. We were to have the money spent on our equipment refunded, amounting from \$25 to \$50, but we have not received it thus far. We then were transferred to the drilling grounds three miles from Gateshead, where we remained until April.

"During April we came to a certain harbor on this side of the channel and were suddenly called to the front. A few miles before us a battle had been raging for three days. While we were on the way we met French troops, Turkoos, Belgians, cavalry, bicyclists and fugitives. In the evening we were quartered in a big cement building all the windows of which were smashed. We were covered with dust and hungry since we had not received anything to eat throughout the whole day.

"The next morning we suffered the first casualties from artillery fire. The day after that we were ordered to advance for the purpose of drawing the enemy's fire upon us while another wing was attacking. In the evening we advanced farther and approached the German lines to within a distance of 200 yards.

"Many criticisms were made because we were employed in the fighting right after our arrival, but Sir John French excused himself more or less in an address to us. Then we were given a rest for a day. We did service as pioneers and carried provisions and food to the first line trenches.

"We returned to the firing line, where we intrenched ourselves. The Germans attacked and took a few trenches not very far from us. We had to withdraw, suffering terribly from the crossfire of the enemy.

"I was wounded and taken prisoner by the Germans. The Germans gave me drink and sweets, and I gave them thirty cigarettes, which they seemed to like. I was brought to a dressing station and then was removed in an ambulance wagon.

"No praise is too high for the German Red Cross service. I could not have fared any better. We Englishmen are not treated here at all like prisoners. In the hospital we are attended to and nursed just like the Germans. I have come to the conclusion that the British press can lie.

"Starvation in Germany? It does not look like it. We get six meals a day and very good treatment by German physicians. A friend of mine died and was buried with all military honors. Our people at home cannot imagine how everything looks here. They cannot get the right impression from reading the newspapers."

MOHAMMEDAN MOSQUE GIFT OF THE KAISER.

Berlin, Aug. —.—A mosque, where religious service is held for the Mohammedan prisoners in the prison camp at Zossen, was recently dedicated in the presence of the Turkish ambassador, Mahmud Mukhtar, and other members of the Ottoman embassy staff. The commander of the prison camp, Colonel von Oestfeld, addressed the war prisoners, stating that the mosque was a gift of the German Kaiser. The Turkish ambassador spoke next. The Mohammedan clergyman thanked the commander for the mosque and the mild treatment of his co-religionists. The muezzin then consecrated the mosque with suitable ceremonies and prayers.

GERMAN INFORMATION NEWS IS BEING WIDELY USED.

New York, Aug. —.—The following appreciation of the value of the daily bulletin of the German Information Bureau appeared in the New York Evening Post of Aug. 20:

"Dr. Albert's reply to the disclosures in the World and the inferences drawn therefrom by that and other newspapers is as able a document as one could expect under the circumstances. With some of his contentions we agree. We agree with the general assertion that Germany's efforts to put its case before the American people should not be so ipso facto stigmatized as 'propaganda,' making that word synonymous with illegitimate propaganda. Dr. Albert's contentions with respect to the work of the German Information Service, the official name for the Claussen News Bureau, are entirely justified. The Evening Post has been regularly receiving the Claussen news sheet and has occasionally made use of its contents in accordance with its own judgment and in full knowledge of the pro-German sources of the information supplied, precisely as

the World has been printing dispatches from pro-German correspondents in Berlin. In the matter of German endeavors to buy up munitions for the purpose of keeping them out of the hands of the allies, we believe that there can be no question either of the legal or moral right of such procedure, and we imagine that this feature of the World's disclosures has been neither new nor startling to the intelligent American reader."

BREWING INDUSTRY FACES DIFFICULTIES CAUSED BY WAR.

Berlin, Aug. —During the first quarter of 1914, the months before the war brewers did a very good business, and the outlook for the barley crop was promising. The outbreak of the war and ensuing conditions affected the brewing industry to the very core, and owing to the mobilization of the troops the sale of beer was considerably decreased, says the weekly report of the American Association of Commerce and Trade. These conditions, harmful to the brewers, continued, and prices of barley and malt reached top prices, never before experienced.

At the end of last winter the government issued orders limiting the beer production in order to save the raw material for food purposes, which restriction limited the use of malt for brewing purposes to 60 per cent of the average volume used in 1912 to 1913.

This new regulation as well as increased prices of barley and increased cost of production forced the brewers to increase the price of beer.

The supply of beer for the troops in the field presented further difficulty, particularly in face of the above restrictions, and only by taking precautionary measures was it possible to comply with the demand, thus, on the other hand, limiting the supply to the civilian population.

The breweries have surmounted so far these difficulties, because the brewing interests did their utmost in keeping things going and because large supplies from last year's stocks of raw material were available. It will be necessary to put at the disposal of the brewers sufficient quantities of barley and fodder for work horses for the coming crop, which supplies shall safeguard the beer supply.

Furthermore, it will be necessary to establish maximum prices for barley in order to prevent further disorganization in the trade.

FEWER BUSINESS FAILURES THAN BEFORE IN GERMANY.

Berlin Aug. —The number of business failures for the first six months of 1915, amounting to 2,826, indicates the lowest record in comparison with former years and, compared with the last six months of 1914, shows a decrease of 423 and a decrease of 1,664 as compared with the first six months in 1914.

Attention should be called, however, to the supervision service, inaugurated by the government at the outbreak of the war, for the purpose of assisting and adjusting such business firms whose difficulties are directly due to the war. Therefore figures given in the table below, referring to the war data, may be colored to a certain extent, and many a firm now under supervision will not escape the bankruptcy court after the war. On the other hand, it should be recognized that official supervision has led many an undertaking to a healthy development:

German business failures.

Period.	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915
First quarter.....	2,300	2,063	2,635	2,603	2,269	2,411	2,341	2,721	2,428	1,773
Second quarter.....	1,896	2,185	2,374	2,153	2,147	2,188	2,312	2,558	2,062	1,232
Third quarter.....	1,661	1,806	1,955	1,808	1,907	2,015	2,141	2,222	1,616
Fourth quarter.....	1,899	2,072	2,417	2,055	2,077	2,128	2,424	2,222	1,633
Entire year.....	7,756	8,126	9,381	8,619	8,300	8,742	9,218	9,725	7,739
First 6 months.....	4,196	4,248	5,009	4,756	4,316	4,599	4,653	5,279	4,490	2,826

Baron von Oppenheim, one of the leading German sportsmen, has contributed the sum of \$1,250 to the aid of families of soldiers employed in sport and racing activities. He was moved to contribute this sum owing to the victory of his stallion Masher in the recent horse race in Hamburg.

SPANISH REPORTS INDICATE FRENCH ARE TIRED OF WAR—DEPRESSION PREVAILS AMONG PEOPLE, WHO HAVE CEASED TO HOPE MUCH FROM BRITISH.

Madrid, Aug. —.—The marked depression shown by the French people is reported in a long dispatch to the Madrid A B C from Paris, of which the following is an excerpt:

Public opinion in France, which usually reacts so quickly to impressions, is at a loss. It realizes that something has broken down somewhere, even though it does not fully acknowledge it, but it feels undeniably uncomfortable and knows that affairs are not progressing favorably.

All four hopes that were cherished in the spring have vanished—the hope in the new English armies, in Joffre's offensive, in the Russian invasion into Hungary and in the intervention of Italy. As though there were a silent understanding, little is said of the disappointment with England and Italy. Although the time set for its occurrence has passed, the expectation of Joffre's great offensive is being saved up as an illusion for the future. The greatest disappointment came from Russia.

In the private conversations of people of all classes great dissatisfaction is expressed; the official war reports are read with indifference. In the intimate family circle of rich and poor families one often hears the words "too long" applied to the war. A fact of greater significance is that some politicians are already manifesting real regret that France agreed to England's proposal of a common peace.

The ruin of industry is general. The greatest part, if not all, of the capital invested in it is yielding no interest, only the laborers and smaller property holders suffer less from the economic crisis brought about by the war.

Peace is becoming very popular in France because it is recognized how little hope can be placed in foreign aid. If August does not bring about a great change in the present state of affairs the peace movement, which is already making itself felt, will probably assume the character of a categorical imperative to which the ruling classes must yield.

An especially striking symptom of the public sentiment is the complete lack of hymns of praise to Joffre. His name, which formerly appeared in the newspapers hundreds of times daily, is only mentioned now in the columns of the big papers at long intervals.

RUSSIAN DEPUTIES PROTEST AGAINST RIGID CENSORSHIP—DECLARE OPERATIONS HAVE AROUSED SUSPICIONS OF PEOPLE THROUGHOUT ALL CZAR'S EMPIRE.

Berlin, Aug. —.—Members of the duma of all parties are at present collecting evidence against the Russian censorship, says a dispatch to the Voerwarts. This evidence, which is to include especially all those cases in which the censorship, in consequence of its pettiness, arbitrariness and short-sightedness, has been proved to be directly or indirectly to the detriment of the country, will be handed over to the newly appointed minister of the interior, Scherbatow.

The object is to prove that the present Russian censors are not equal to their tasks and that the present sentiment in the country is demanding another, more farsighted censorship. The veil which is being spread by the censorship over various occurrences in the interior of the empire must be torn; otherwise the consequence of this practice of hushing up the truth might be serious.

The Government should not cover the facts with a chaos of promises, phrases about inner conditions and the like, but should give the general public full information about conditions in Russia; then the majority of the Russian people will work gladly for the welfare of the empire. The people know very well that this war is costing Russia enormous sacrifices in life and property. The public was forced by the secretive policy of the Russian censorship to hold back and to distrust the official reports and the reports of the Russian press.

The minister of the interior informed the deputies that he would comply with their wishes "as far as possible."

SWEDISH PROFESSOR PRAISES GERMAN ECONOMIC STRENGTH.

Stockholm, Aug. —.—Dr. Heckscher, professor of political economy at the trade high school in Stockholm, returned from a trip to Germany, Holland, France, England and Switzerland, where he studied the economic effects of the

war recently, and discussed the relative economic strength of the belligerents in the Stockholm Dagblad, as follows:

"Germany will undoubtedly hold out the best. Serenity and confidence prevail there to a surprising degree. The economic preparation for the war was not as perfect in Germany as is generally believed, but the adaptability of the Germans is admirable.

"The economic strength of the country gives the leading men a right to be optimistic. Although the war costs huge sums, no peace will ever be concluded, because the war cannot be continued from a lack of the necessary funds."

The city of Gardelegen has announced that it will reduce its taxes 20 per cent. This unprecedented measure, especially in times of war, has been made possible because the city is drawing an income from the feeding of war prisoners.

RUSSIA ANTICIPATED WAR LAST SUMMER—SWEDISH VISITOR AT ARISTOCRATIC RESORT IN BALTIC DESCRIBES EVENTS IN JULY, 1914—CRUISERS PATROLLED COASTS—RUSSIANS WHO USUALLY SPENT SUMMER AT MARIEHAMN CONTENTED THEMSELVES NEARER HOME.

Stockholm, Aug. .—Mariehamn, on the island of Aland, in the Baltic, has been for years a favorite summer resort for the Russian aristocracy. Last year, however, according to a Swedish visitor, the resort was not popular with the Russians, and many signs showing active Russian preparation for hostilities, not obvious at the time, became striking in the light of subsequent developments. The Swedish visitor describes conditions at Aland in the early part of the summer of 1914 in a letter to the Dagbladet as follows:

"On my arrival in Mariehamn in the middle of June of last year I gained the impression that there was something unusual in the air. Mariehamn has always been a private bath and summer resort of the Russians. But this summer the exclusive Russian circles were very poorly represented, and the few who were there left in the first half of the month of July—in the middle of the season. This was not an accident, for the numerous members of the influential circles of Petrograd who visit Mariehamn every year would not have refrained just this summer, when it was so warm, from enjoying the beautiful scenery and the refreshing bathing at Aland.

RESORT TOO FAR FROM PETROGRAD.

"The highest circles of Petrograd were looking forward to war in the summer with a presentiment which bordered on certainty. They simply did not dare to expose themselves to the danger of being cut off from the mainland on out of the way Aland by a declaration of war and preferred to visit bathing resorts on the mainland which they could leave quickly at the first sign of disturbance and return to their own country by rail.

"But for the attentive observer another sign also indicated that as early as June of that summer war was in the air. A few days after midsummer a stately fleet of not less than fourteen warships of the cruiser and destroyer type entered the western harbor of Mariehamn. Old inhabitants of Mariehamn with whom I spoke said that they had never seen such a large fleet assembled at one time in these waters and shook their heads doubtfully at the sight of it.

NO SHORE LEAVE FOR OFFICERS.

"The young people among the guests at the resort had expected to spend a pleasant evening on land with the officers and crew, as was the custom when the fleet visited Mariehamn. But this time the stay of the ships was limited to a few hours, after which they went out to sea again. Evidently the men on board had more serious matters to think about than flirtation.

"As in former years, I sailed extensively that summer among the chain of reefs of Abo and Aland, but where as formerly only one or two warships strayed into these waters I now saw large or small groups of them daily, either under steam or anchored.

"Then one day in July a secret circular from the governor in Abo was sent to the police authorities of Aland, the contents of which, thanks to the indiscretion of a police official, became fairly well known to the public. In it the police were given strict orders to keep an eye on all foreigners, especially on those of German nationality.

" I also recall another episode which, although insignificant in itself, deserves to be mentioned in this connection. The Russian hydrographical expedition, with quarters on Aland, worked that summer—the seventh in succession—at top speed and with a doubled force. In July I had as a neighbor a topographical officer of high rank who drew the charts of the expedition. My daily contact with him soon led to intimate intercourse.

STRATEGIC MAPS IN EVIDENCE.

" With amiable courtesy—a trait which is characteristic of the cultured Russian—he often invited me to visit him, and I noticed that the tables and chairs of his room were always covered with more or less finished charts, which evidently contained drawings of secret water routes of naval importance.

" On one occasion I jokingly asked him whether he did not fear that I, as a foreigner, would abuse his confidence and in an unguarded moment would copy the easily accessible drawings. Thereupon I received the strange answer:

" 'If you were a German I would take sufficient precautions.'

" It was only after the outbreak of the war that I really understood the meaning of this answer."

BAPTISM OF THE KAISER'S YOUNGEST GRANDCHILD.

Berlin, Aug.—The youngest grandchild of the Kaiser, son of Prince Oscar, was baptized recently. The Duchess Victoria Louise, daughter of the Kaiser, came from Brunswick to attend the ceremony. The German empress was also present. The prince received the name Oscar Wilhelm Carl Hans Kuno. General von Einem and the King Grenadier regiment No. 7 were the godfathers.

Senator NELSON. I notice the headings there are printed on them.

Capt. LESTER. Yes.

Of course, the important proposition that the German Government was confronted with in this country was to get a working connection between their propaganda headquarters and the public; that is, a distribution of their literature.

This sheet was accepted by thousands of papers in the United States. Some printed part of it and some printed all of it. There were some strongly pro-German papers, so called, that used it all the time.

There were a great many newspapers that were wanted—I am now speaking of those outside of the ones that have come in the record here—where subventions were employed. That was a word the Germans brought over. I never heard it before. That means a payment or subsidy——

Senator NELSON. Or a bribe?

Capt. LESTER. Or a bribe that they would pay them. These bribes went to various people.

In addition to the newspaper field, which has been very well covered in this hearing, there was another system of distribution that I think will be of interest to the committee.

Mr. Viereck, in connection with his paper, ran what was known as Viereck's Library. That library was a collection of books which were strongly in favor of the German cause. Most of them would have been classified as seditious after the espionage act was passed; in fact, the place was closed up and all the books were suppressed. But this was the system that Viereck operated under: He had 18 or 20 traveling men, so called, whose ostensible purpose was to sell books. They had a history of England, for example, on their list, and they had numerous standard works, Shakespeare among them, and they had a list of the other books. Their ostensible purpose was

to go and sell books, like a regular book salesman, but their actual purpose was to distribute German literature that was sent over here in enormous quantities, talk propaganda, feel out the newspaper people throughout the country and get in touch with men connected with newspapers and publications, and to get in touch with German societies and with pastors of the German Lutheran churches that they thought could be approached, and make reports on conditions.

The book-selling part was "camouflage," as the saying is. That was not self-supporting. These men were paid on a salary and commission basis, and out of the 18 I think every one was a alien enemy when the show-down came, except 2; and they were taken out.

Senator OVERMAN. Were all these 31 men operating under Viereck?

Capt. LESTER. No, sir; Viereck was a side line. He did not count in the big affair, except in a very small degree.

Senator OVERMAN. These booksellers were under him?

Capt. LESTER. These booksellers were under him. He ran the Fatherland and the Library and was the go-between with the German-American wealthy class in the city of New York and throughout the country; the man who could bring about introductions to these German agents to people prominent in public life.

Senator STERLING. Did Mr. Viereck originate the bookselling game?

Capt. LESTER. No. That was originated by the bureau the German Information Service. The publication of the book game was started by the Fatherland in August, 1914, concurrently.

I would like to add to the record a little further information from my own personal knowledge; for I made some investigation of Mr. Viereck's activities.

Mr. Viereck, after the country had gotten into war, established what was known as the Agricultural Labor Relief Bureau for Alien Enemies.

In anticipation of the country getting into the war, he dropped the name of Fatherland. I think in January, 1917, and changed it to Viereck's Weekly; and told our investigators—in fact I got the information from him also—that he had burned his bridges behind him, and destroyed all his papers, and was a good American.

On the 7th of April he sent a very flowing letter to President Wilson announcing his great loyalty to the United States. I think there were about four pages of it. He said he was through with the Germans; the fact being that no more money was forthcoming after the Albert party had left; and he became a loyal American on the surface when they did leave; but this is what was done with the Agricultural Labor Relief Bureau:

Mr. Viereck came to Washington, and through certain introductions that he obtained. he got letters from a great many people. who did not know what they were vouching for, approving the plan to establish a labor relief bureau for Germans who could not get back to Germany.

The plan was started in May, 1917, and was perfected in June of that year. The idea was to take these alien enemies and place them in harmless employment, like agriculture. Hence the name. The fact was, as established by an investigation of the records, that this scheme of Viereck's was nothing more or less than the Liebeau

Bureau over again, about which Mr. Bielaski testified; that these men, of whom he placed about 6,000 or 7,000, were scattered around in various industries throughout the country; and the matter was pretty thoroughly gone into, and that was abolished; but out of that it was found that Mr. Viereck had established, through another connection, what was known as the Alien Women's Relief Bureau.

Senator STERLING. By the way, did he get the indorsement of any Government officials for the Agricultural Labor Bureau?

Capt. LESTER. Yes, sir. He had the indorsement of at least 150 men in public life in the city of Washington.

Senator STERLING. Did he get the indorsement of the Department of Labor, do you know?

Capt. LESTER. Yes; he got the indorsement of the Department of Justice on the plan, also.

Senator NELSON. They did not know what he was up to?

Capt. LESTER. They did not know what he was up to. Of course, it was through no lack of diligence; because these exposures that I am explaining came after we had been in the war for some time, and the Government had the means to obtain access to this information.

Senator WOLCOTT. Of course, it being manifest, Captain, that these Government officials, when they gave indorsement to the scheme, thought they were indorsing a thing that was proper?

Capt. LESTER. Oh, yes; there is no question about that at all.

Senator KING. I suppose, with respect to the activities of the German propagandists, or rather the schemes on foot, where the ulterior ends were not known, they enlisted the aid of a great many patriotic American citizens.

Capt. LESTER. Yes. I stated that, Senator, to show the rather clever form a propaganda that was adopted, and in this particular case it appealed to the sympathy. Any agricultural alien relief scheme would naturally appeal to anybody. They would say, "These poor aliens are over here and they can not get home, and we will put them on the farms. We need farm labor. Of course it is a good movement."

Senator KING. You spoke about a new branch here, the Women's Relief Bureau?

Capt. LESTER. Yes. That turned out to be an abortive attempt, however; the women's alliance. However that got organized I do not know, but the plan was to place women aliens. My personal conclusion, as the result of that investigation, was simply that it was a method of continuing the German information gathering service in this country through this distribution.

Now, on the subject of Mr. Viereck, there was a matter that was not brought out in the previous testimony that I think would be of value. Mr. Viereck maintained an agent in Washington who was a man who was sent here in 1914 for the purpose of getting information of Government activities. This man's name was Frederick F. Schrader. His name appears here in the books frequently as a writer. He continued up until February, 1916, when he was supplanted by a much better man, as was thought, a man by the name of J. J. Dickinson, a former newspaper writer. Mr. Dickinson, who was known as Dickinson and afterwards became a captain in the

American Army, was brought to New York for a conference between Dr. Albert and Dr. Fuehr and Mr. Viereck, who represented that Mr. Dickinson had the entry to, or had the confidence of certain very high public officials, including cabinet officers; that he had been in the public service of the United States, being the commissioner of the Pan American Exposition, and went to Europe, as our information is from Mr. Viereck and others, to take charge of the arrangement of exhibits for that exposition. Mr. Dickinson's proposition—

Senator NELSON. When was he put in?

Capt. LESTER. He was put in in February, 1916. His representations were, to these Governments, that he was a member of two very prominent clubs in Washington, the Army and Navy Club and the National Press Club; that he knew not only these cabinet officers but that he had an intimate personal acquaintance with the President; that he could get in, as he expressed it, into the back door of the White House, and that he could know everything that was going on. So Mr. Dickinson was taken on at \$40 a week to start in with [Laughter]. What he got on the side I never knew, but I found the check book of the payments to him, and the facts are as stated.

Senator WOLCOTT. You think he got only this \$40 a week for the service that he could render there?

Capt. LESTER. Yes.

Senator WOLCOTT. He could have made more than that as a newspaper writer.

Capt. LESTER. The way it was worked was this: There were supposed to be only four people in the world that knew of the connection, Dr. Albert, Fuehr, Viereck, and Dickinson; so that Dickinson assumed the name that he carried until the time he gave up, and that was Josiah Wingate. He was known as Josiah Wingate. All of his letters, of which there are a great number in the record, were sent to Viereck, over the name of Josiah Wingate, in a very much crumpled and disguised handwriting. He never communicated over the telephone and seldom visited New York, and he was the secret agent of Viereck and the Germans in Washington, or posed as such.

Senator OVERMAN. What has become of him?

Capt. LESTER. The last I heard, he was in Washington.

Senator OVERMAN. Was he still in the Army?

Capt. LESTER. No, sir; he got out of the Army. How, I do not know, but he is out.

Senator OVERMAN. Is he still a member of the Press Club?

Capt. LESTER. I do not know that.

Senator NELSON. He is a pretty valuable man. I should not think he would be at large.

Capt. LESTER. The curious thing about the Josiah Wingate letters is this: They give accurate information of happenings in cabinet and governmental circles. Where this information came from, whether Josiah Wingate made good or not, I do not know, but the letters have all been checked against subsequent events, and it is quite obvious that in certain cases information was obtained from some source or other, whether Mr. Wingate got it himself or not.

Senator NELSON. It seemed to be accurate information?

Capt. LESTER. It was accurate in certain respects.

Senator OVERMAN. He seemed to have had a back door entrance somewhere?

Capt. LESTER. He had a backdoor entrance somewhere; but the important part of this connection was this, that the Germans who were in charge of this bureau took Wingate literally and seriously, and these reports of his were sent to the foreign office, and by wireless to Berlin, immediately upon their receipt, as indicating the established policy of the United States Government and of the Executive, and from these reports was built up the policy of the Fatherland, editorials for the Fatherland, which continued to be published over the name of Frederick F. Schrader. Among the papers that were obtained, once the property of Mr. Viereck, that were turned over by certain people representing him, were letters showing that Mr. Dickinson had certain of the connections that he represented that he had. That was corroborated.

Senator KING. Would it not be better to put it this way, Captain, that he had such a connection, or that he surreptitiously, and perhaps fraudulently or clandestinely, obtained information?

Capt. LESTER. I think there is no question about his fraudulently obtaining information. It was an abuse on his part of confidence of a long-time friendship, in practically every case. For example, without quoting the letters which make references which really would be of no particular value, although I will be glad to show the committee the letters, Wingate reports on a visit he made to Shadow Lawn in the summer of 1916, and goes into minute details of conversations had with President Wilson. Now, that, to my mind, was a pure fabrication. I do not think he ever was at Shadow Lawn. I do not think he ever had a conversation with President Wilson at that time at Shadow Lawn.

Other matters indicate that he had abused the confidence reposed in him by people who had known him for 15 or 20 years, and bits of information dropped had been pieced together into a story which turned out afterwards to have a foundation in fact. That is, it forestalled certain governmental positions or war matters.

Senator WOLCOTT. It forestalled them, or forecast?

Capt. LESTER. Forecast, I should have said.

Senator OVERMAN. What position did he have in the military service?

Capt. LESTER. He was a captain, I do not know in what branch of the service, but he was detailed for duty on the border at San Antonio, Tex., and this information was gotten and he was recalled; but I do not know how he got out of the service.

Maj. Humes calls my attention to one letter here written by Dickinson, in which he boasts to Dr. Albert and the others that he was responsible for the leak of the peace note. That, of course, is sent up to them to show what a wonderful man he is; that he is close enough, and all that.

In the examination of men connected with Viereck they stated that they had information about that peace note 10 days before it became public.

Senator WOLCOTT. Do you know whether this man Dickinson was in the employ of any of the civil departments of the Government at any time?

Capt. LESTER. He was a major in the United States Army in 1898.

Senator WOLCOTT. I mean since the European war started?

Capt. LESTER. No, sir; he was not in any civil department. There is no evidence of any activities of Mr. Dickinson after February, 1917, that I know of. I had nothing to do with the military end; I had only to do with the civil.

Senator OVERMAN. Do you know whether he was a regular correspondent that was admitted with other correspondents to the different departments here?

Capt. LESTER. Do you mean whether he had the entrée to various governmental departments?

Senator OVERMAN. Yes; as a newspaper man, as all newspaper men go to the departments to get news.

Capt. LESTER. Yes; I think he had. I think that was a part of his system.

Senator OVERMAN. I want to say for the newspaper men that when cabinet officers tell them not to publish anything they never publish it, and he might have gotten news in that way and violated his trust.

Capt. LESTER. He was not a newspaper correspondent in the sense that he was an accredited man from a reputable newspaper, at that time. He was at one time connected with the Philadelphia papers, and I do not know what others. I would have to refresh my recollection by going over the records.

Senator OVERMAN. You say he got certain information. Could he have gotten the information in that way, do you believe, by going in with certain newspaper men and hearing things, as they do frequently? Once a week, I think, they go around to the departments.

Capt. LESTER. I think he got his news on the strength of the fact that he had been a newspaper man in years past, a writer, and was known to a great many people in Washington; that is, to men in public life and in military life. He had a great many personal acquaintances among the men in the departments. I think he could have gotten the information without a great deal of difficulty.

Senator WOLCOTT. He played this rôle after he got into the military service?

Capt. LESTER. No, sir; he stopped on February 9, 1917; that is, so far as we know, the last payment was made to Dickinson in February, 1917.

Senator NELSON. By whom was he paid?

Capt. LESTER. He was paid by Viereck; by Viereck's check.

Senator OVERMAN. Viereck would take these communications, these facts or letters from him, and turn that information over to the German Government, would he?

Capt. LESTER. It would be sent by wireless the day that it was received, to Berlin. It was sometimes revised. Portions of it were made the subject of special messages.

Senator NELSON. To Berlin?

Capt. LESTER. To Berlin. These letters, some of them, were two to three pages, nearly as large as that [indicating paper]. They covered a variety of subjects, principally on the governmental policy—executive policy. That was his specialty.

Senator OVERMAN. Do you know of anything very important that he communicated, from your examination?

Capt. LESTER. It is hard to tell from our viewpoint whether it was of great importance or not. From the viewpoint of the Berlin foreign office, that were gathering together every bit of information, it

might have been of the utmost importance. As I stated before, there is no evidence that we have obtained, outside of the payment of \$40 a week. He might have gotten a great deal more. He might have had other connections.

Senator OVERMAN. You did not find any Albert checks?

Capt. LESTER. No; but Dickinson admitted that he received the money from Viereck and knew what it was for.

Senator OVERMAN. You know where he is now, you say?

Capt. LESTER. I heard that he was in Washington inside of the last month.

Senator STERLING. What time did he get into the Army, Capt. Lester?

Capt. LESTER. I think he was commissioned very early.

Senator WOLCOTT. I might say, Mr. Chairman, some of these newspaper men who are present say that the gentleman was in here this morning with them.

Senator OVERMAN. He was in the room, was he? He is following up this investigation? [Laughter.]

Senator KING. Is there anything, Captain, to show what his attitude has been toward Germany since our entrance into the war?

Capt. LESTER. There was nothing in the investigation that was made by the section of military intelligence that I was connected with, to show any German connections or German activities of any nature or description, after February, 1917. I can only say from hearsay, and I can say that as far as I know there was nothing in the military investigation that showed any connection with Germany, although that I can not state positively. If there had been, of course, another disposition would have been made of the case.

Senator NELSON. When did you say he got a commission in the Army?

Capt. LESTER. My recollection is that he got it early in the war, in May or June.

Senator NELSON. Then he was an officer in the Army while he was operating for Viereck in this country, was he not? He was an officer in our Army, and had a commission in our Army, while he was getting this information and transmitting it to Viereck?

Capt. LESTER. No; he severed his connection in February, 1917, with Viereck.

Senator NELSON. Yes; but you say he became a commissioned officer at the beginning of the war?

Capt. LESTER. No; that was in May.

Senator NELSON. Oh, you mean our war?

Capt. LESTER. Yes; our war; May, 1918.

Senator NELSON. I thought you meant the European war.

Capt. LESTER. No, sir. It was in either May or June, or somewhere along there. It was the summer of 1917, as I understand it.

Senator OVERMAN. You have no evidence that after he was commissioned in our Army he furnished any information to the Germans?

Capt. LESTER. No, sir; I have not.

Senator WOLCOTT. He is not in the service now, anyhow.

Capt. LESTER. No, sir. I think I can safely say that if there had been anything disclosed, another disposition would have been made

of the case, because that would have been a matter that subjected court-martial. He was not court-martialed.

Maj. HUMES. I will supply those dates for you a little later. Senator. We have a record of them in the files.

Senator NELSON. Very well.

Capt. LESTER. There is one matter that Senator Overman brought up the other day, of the propaganda work among the negroes. I have some information on that which may be of value.

Maj. HUMES. Just a minute, before we get to that, Captain. Will you discuss this bulletin, this information service, purporting to come from Matthew Claussen as manager? Who really had charge of that and who supervised the material that went into it.

Capt. LESTER. I think I had better add a little more as to this bureau system; a few words.

Maj. HUMES. I think you have not fully covered that.

Capt. LESTER. Dr. Fuehr was the commercial attaché at the embassy in Japan at the outbreak of the European war. When the diplomatic relations were severed between Japan and Germany the ambassador and all of the diplomatic agents went from Japan to Germany by way of the United States. Dr. Fuehr came to New York and was detailed by the foreign office for work in the United States, and with him were two or three other attachés of the Japanese embassy—that is, the Germany Embassy in Japan.

I might state in that connection a matter that has not been discussed as yet, but the reason that Dr. Fuehr was left here with the other men was to carry on the Chinese propaganda and cooperate with the Germans in the Japanese-American propaganda, which was recognized as a very valuable form—that is, the fomenting of trouble, if possible, between Japan and the United States—and to cooperate with Von Eckhardt in Mexico in fomenting trouble between the United States and Mexico, with Japan as a side line.

Maj. Humes has asked me about the preparation of the information sheet. That was prepared in collaboration, as I have stated, by Claussen and others of the English section, up to about December, 1914.

Senator OVERMAN. Not the English section?

Capt. LESTER. They had an English section; I mean an English-speaking section. Claussen first had charge of that, but his work, it appears, was unsatisfactory, because he did not have sufficient grasp of the situation, so that they looked about for a man to take his place, and Dr. William Bayard Hale was the man selected. Mr. Hale has been examined before Mr. Becker in New York, but not under oath. It is a little obscure as to how Dr. Hale became connected with Dr. Albert and Dr. Fuehr. His version is this—

Senator KING. Do you mean Dr. Hale's version?

Capt. LESTER. Yes; Dr. Hale's version is this—

Senator KING. That is based on what?

Capt. LESTER. Upon his own statement to Mr. Becker.

Senator KING. Is it in writing?

Capt. LESTER. Yes; I have it before me, here.

Senator WOLCOTT. There is no question of the authenticity of it?

Capt. LESTER. Oh, no, sir. This is rather a long statement, and I do not think the committee wants it in full. Dr. William Bayard Hale states that on a certain night in December, 1914, a strange man

came to his house in Riverside Drive, New York. Dr. Hale stated that this stranger came to his house one night in December and announced that he was Dr. Dernberg. Dr. Dernberg explained that the German Government was conducting a propaganda system in the United States, explained the purpose of it, and invited him to become the head of it, and he agreed to do it, in a subsequent interview. His statement is perfectly frank on that point. He says, in substance, "It is a well-known fact that I was working for the German Government from December, 1914, down to the time when I was engaged by Mr. Hearst, which I think was in May, 1916." That is his own statement. But there is evidence after that, after he had been employed by Hearst, that he was on the German pay roll. There is evidence in this record that Dr. Hale was under a contract with the German Government, which expired on the 25th or 28th of June, 1918.

Senator NELSON. 1918?

Capt. LESTER. Yes.

Senator NELSON. At how much a year?

Capt. LESTER. Fifteen thousand dollars a year was what he received from Fuehr and Dr. Albert. I do not recall that the value of his services is stipulated as communicated in this contract, as it stopped in June of this year.

Maj. HUMES. Fuehr's statement of the contract does not disclose the compensation.

Senator NELSON. The fact is, then, that although he was employed by the Hearst Bureau, and continued until the time you mention, yet during all that time he was on the German pay roll, was he not?

Capt. LESTER. There is an irreconcilable difference between his statement and the testimony.

Senator KING. That is, he denies it?

Capt. LESTER. He states in his statement to Mr. Becker that he was only employed by the German Government from December, 1914, up to the time he was employed by Mr. Hearst and went to Europe, which was in May, 1916. I am quite sure it was May.

Senator KING. So that the records found in the office of Dr. Albert, his memoranda and other statements, would indicate an employment; would indicate that Hale was receiving money from Germany up to May of this year?

Senator WOLCOTT. Is that exactly correct?

Capt. LESTER. No; that he was employed; that he had a contract. That record indicates a contractual relation of some sort. The terms of the contract are not set forth in the memorandum.

Senator WOLCOTT. What is the date of the memorandum? That must have preceded the departure from this country of the German ambassador and Dr. Fuehr.

Maj. HUMES. It was not in the Albert papers that that was disclosed, but that was in a cablegram sent by Albert to his home Government, that he mentioned that contract with Hale which would expire in June, 1918. It was from the embassy and not from Albert's office that that information came.

Senator KING. He might have entered into this contract before our country entered into the war—a contract extending over 1918—and yet it may have been terminated when our country went to war.

Capt. LESTER. That is possible.

Senator KING. In that way it would be "reconcilable," then, to use the language already used?

Capt. LESTER. Yes.

Senator WOLCOTT. Is there any evidence that Hale continued to operate under that contract after we entered the war?

Capt. LESTER. No, sir; not that we have.

Senator KING. What evidence have you as to the last payment made to Mr. Hale; I mean by the German Government?

Capt. LESTER. We have no evidence except that telegram, as I understand.

Maj. HUMES. I think that I can refresh your recollection, Captain. Is it not a fact that the last payment of money to Dr. Hale was shortly prior to his going to Germany in the spring of 1916?

Capt. LESTER (examining papers). I do not recall that there is anything to show the last payment made to Dr. Hale.

Maj. HUMES. It shows no evidence of any payment made directly, or any payments made of money, after his going to Europe in 1916?

Capt. LESTER. From Dr. Albert?

Maj. HUMES. From Dr. Albert.

Capt. LESTER. Yes.

Maj. HUMES. The only evidence of pecuniary returns after that time is in connection with the expenses of the trip to Roumania, which was made at the expense of the German Government?

Capt. LESTER. I do not recall that we have any evidence that the expenses of that trip were paid by the German Government.

Maj. HUMES. I think Mr. Bielaski referred to the statement of Hale's secretary, Mr. Edwards, who said that the expense of that trip was paid, and you will remember that the passports indicated that they were on official business when they went into Roumania: and you will remember the statement of Mr. Edwards was that that trip was financed by the German Government.

Capt. LESTER. I have before me no evidence of that character, if that was the fact.

Senator OVERMAN. You can supply that later. Now, you say he aided in the preparation of these bulletins we are talking about?

Capt. LESTER. Yes. I might state here the stipulations that Dr. Hale states he made as a condition to his employment. He says:

One thing I will say to you. When I went back I made several stipulations, among which were these:

In the first place, that no advantage should be taken of any presumption that I knew Mr. Wilson.

In the second place, that no attack should be made upon the Wilson administration. I said that if ever anything catches my eye in the light of an attack upon the Wilson administration, I will not only kill it, but I will inform Washington.

In the third place, and I want you to take it all down, in the third place I said "I absolutely decline to have any part or lot in the Japanese propaganda." I thought they might use that, and I said, "Well, if there is anything of that kind turns up, I will absolutely oppose it. You must never invoke the Japanese matter."

Senator WOLCOTT. That is Dr. Hale's statement as to the stipulation he made with the German authorities when he got there?

Capt. LESTER. Yes.

Senator STERLING. This much is apparent, is it not, Capt. Lester, that his trip to Roumania on a German mission was after his employment by Mr. Hearst?

Capt. LESTER. Yes, sir; Dr. Hale continued in the employ of the German news service up to May, 1916. During that time his work was the preparation of this sheet, and I think that the ones you have seen are specimens of the sheets prepared under his direction.

Maj. HUMES. Captain, in the statement of Dr. Hale, he says that his employment was generally known, and indicates that there was no effort to keep it secret. Will you state how these sheets were handled, and how the proof was handled, and whether there was an effort made to conceal his connection with them?

Capt. LESTER. If Dr. Hale made that statement, it is in conflict with the information secured from numerous sources, this information being that an additional stipulation—if these I have referred to were actually made—was that Dr. Hale's connection should be kept secret. He had a private office, with a stenographer and a clerk that were separated from the rest of the establishment—that is, away from it, that was known as Dr. Hale's office. He was a writer, had done a great deal of writing, and to all outward appearance the room that he occupied and his small group of clerks was his office force. This copy that made up these sheets was sent by a messenger to the press association that printed it, and a man was sent from the German bureau, a man by the name of Keating, who has been examined in this proceeding, to read the proof. The minute that the typewritten copy left Dr. Hale's hands, that ended the transaction so far as he was concerned; so that all his apparent connection, to the casual observer, was that he was writing, as he always had done for many years—that he had a comfortable office in an office building, and that ended the transaction; the fact being that he was right connected with this whole German bureau, and it never became generally known that Dr. Hale had any connection with it until he began to send articles for the Hearst publications, and it was not until these various investigations started that Dr. Hale's name was brought in.

Senator OVERMAN. Now, these bulletins are composed of information sent by Dickinson to Viereck, and by Viereck turned over to Hale, and Hale edited it; is that it?

Capt. LESTER. No; the information sent by Dickinson to Viereck was used largely as the basis of articles published in the Fatherland; but those, in turn, were revamped and used as a part of this information service. In other words, if an idea came in in the form of a written article, no matter from whom it came, whether from Dickinson or any other source, it was formulated into a propaganda article of some sort and used in all of the publications—I mean not only the Fatherland, but Viereck's International—and the wording was changed, and it was put in as different articles; that is, the Dickinson stuff is entirely distinctive from this general news service in the general sense.

Senator NELSON. It was in the first instance simply a feeder to Viereck's Weekly?

Capt. LESTER. And a feeder to the German information service.

Senator NELSON. Yes.

Capt. LESTER. In May, 1916, Dr. Hale went to Europe and took up the newspaper work for the Hearst publications in Berlin, being their special correspondent. The news gathered by Dr. Hale in Berlin was of a purely political character. His associations were with the Government officials, and while he states in his stipulations that he would not work for the German Government in New York City against the Wilson administration, and various other things, as soon as he became identified with the Hearst news service at Berlin he capitalized, as the innumerable cables and wireless messages we have in our possession show conclusively, his former connection with the United States Government as the special representative to Mexico, and his friendship and association with President Wilson and innumerable Government officials. In fact, Dr. Hale was looked upon, not only from this source but other sources, as one of the strongest representatives that America could have in Germany, and as a man who had the entrée into governmental circles in this country, and whose words as published had the greatest possible weight.

Senator STERLING. And yet whose individual sympathies were entirely German?

Capt. LESTER. Mr. Hale's sympathies were pro-German, anti-British, and anti-American while he was in Berlin. I have read every message that the Navy Department supplied us, of which there are about 1,500, containing Dr. Hale's personal, private messages, his news messages, his editorial articles, and I have failed to find an expression in favor of the allies in a single one of them, and I have never failed to find an expression in favor of Germany tucked in somewhere. Most of them are flagrantly pro-German.

Senator STERLING. And of course those sentiments and sympathies were known to his employer, Mr. Hearst?

Capt. LESTER. Oh, yes; there is no question about that.

Senator WOLCOTT. Let me just ask you a question there, Captain. Do you mean to testify that Mr. Hale's anti-American German sympathies were known to Mr. Hearst?

Senator NELSON. Why, a man must be known by the garb he is dressed in.

Senator WOLCOTT. I am asking the captain if he wants to testify now to that. To say that a man is pro-German is one thing, and to say that he is anti-American is another thing. The answer that you just gave to Senator Sterling, there, indicates that you are testifying that Dr. Hale's anti-American sympathies were known to his employer, Mr. Hearst.

Capt. LESTER. He must have known them if he had read his cables.

Senator WOLCOTT. Were those cables to him?

Capt. LESTER. Yes; in the Hearst publications.

Senator WOLCOTT. And those cables contained anti-American expressions?

Capt. LESTER. That is my construction of many of them.

Senator WOLCOTT. Let us have one of them, because that is very material.

Senator NELSON. I looked at some of them. There was a bundle of them on the table this morning, and I looked at them, and I do not see how any proprietor of a newspaper getting such messages as that could feel any doubt as to the attitude of the sender.

Capt. LESTER. Mr. Senator Wolcott, there are here about 1,500 cables, more or less. I have read these over twice, not once. I read them over about six weeks ago, and have read them again in the last two weeks, and I can select from this large number, I think, a great many cables that denounce President Wilson's action, denounce the Government's attitude, belittle certain efforts that this Government is making, and contain, in innumerable telegrams, expressions contrary to and in opposition to governmental policies—established governmental policies. I can not do that at this moment.

Senator WOLCOTT. What I am getting at is this—because I hold no brief for Mr. Hearst; never saw the man in my life and know nothing about him. I do not get his newspapers, either. But there is a very clear distinction in my mind between pro-Germanism before we got into this war and anti-Americanism; I mean in sentiment. There are many people who entertain the view that if one criticized the Americans in the country before we entered into this war they were anti-American. Other people entertain the view that they were pro-German. Therefore there is a very material distinction between pro-Germanism—that is, real, genuine sympathy for Germany—and a feeling of antagonism to this country. Hence it is, I am trying to clear up this statement.

Senator NELSON. Even if you preserve that distinction, Senator, I saw a great many telegrams there this morning that will show just as strong pro-Germanism as anti-Americanism, so that they will fill the bill from either point of view.

Senator WOLCOTT. That is what I am asking. We do not want opinions; we want facts.

Senator NELSON. They are in these messages.

Senator WOLCOTT. I am asking the captain to pick them out and let us see them. You need not do it right now, Captain.

Capt. LESTER. I will do that with great pleasure.

As to the question of anti-Americanism, if I may inject this into the record, I can define my idea of anti-Americanism in relation to this war situation.

I think any man who has been in the pay of the German Government at any time after August 2, 1914, is anti-American and pro-German.

Senator WOLCOTT. Many people entertain that view, too; and some of the people do not, and they are thoroughgoing Americans. I know of my own personal acquaintance—no; I do not know any men who were in the pay of the German Government, but—

Capt. LESTER. I mean men in the pay of the German Government. I do not mean men in sympathy with the German cause only, but I mean in the pay of the German Government and working for the German Government.

Senator WOLCOTT. I know plenty of people in this country and in my State who were taking the German side back in the early days, and I dare say if it had been in their line they would have been employed working in consonance with their sympathies at that time. They were talking that way, and I would not for a moment say that they were anti-American, because I know they were not anti-American.

Senator STERLING. It would hardly be contended, Senator Wolcott, that a man of Dr. Hale's intelligence, with what he presumably knew about the origin and causes of the war, could be receiving pay from the German Government at that time and be pro-American in sympathy and interest.

Senator WOLCOTT. Perhaps not; I am not arguing for Dr. Hale at all. You must not get that in your mind, that I am holding any brief for Dr. Hale.

Senator STERLING. I think I understand your position, Senator.

Senator WOLCOTT. I want to say that if there was any man in this country that has been in league with Germany and against this country, I want to know who he is and what his name is, just as much so as any other Senator.

Senator NELSON. I suggest that we go on now, and you can hunt these messages up, Captain.

Capt. LESTER. Yes; I will do that, Senator.

Senator NELSON. You can hunt up these messages that the Senator calls for.

Senator OVERMAN. And when produced they will be placed in the record at this point.

Capt. LESTER. I would like to ask at this juncture about how many of these the committee would like to have as specimens? They run over a very wide field of suggestive propaganda. There are messages on the Irish question and there are messages on the Japanese question and messages on the question of submarine warfare. Would it meet with your approval to pick out one or two covering each of those large subjects that were under consideration?

Senator WOLCOTT. Yes. You need not encumber the record with a great deal of them.

Senator OVERMAN. We will leave that to your judgment, Captain. You say there are telegrams showing his anti-Americanism?

Senator NELSON. Pick out one or two of each as typical. That would be a good idea, would it not, Mr. Chairman?

Senator OVERMAN. Yes.

Capt. LESTER. All right. I will make such a selection.

(The messages just referred to were later submitted by Capt. Lester, and are here printed in the record, as follows:)

R cd 6.02 p m 9/9/14. W—WS.

MSG Leipzig de Newyork 6 41 ninth
sixteen

Salomonstrasse [16] Leipzig.

cissl

Mail tausend simpli/mus flugblaetter two hundred each woche Berliner illustrierte Berliner Tageblatt weekly hundred each lustige Blaetter echo

cissl

fliegende fifty each jugend simpli/mus kriegs geschichten heftweise twenty leipziger illustrierte answer.

INTERNATIONAL NEWS Co.
eighty three

[88] Duane Street New York

Sent 9/10/14 1:15 am. Opr TG

Approved F. X. Gygax

Mail weekly hundred each lustige Blaetter echo fliegende; tausend simpli-cissimus flug blaetter two hundred each Berliner illustrierte Berliner Tageblatt woche; fifty each simplicissimus jugend Kriegs gischichten helftwaise twenty Leipzig illustrierte answer.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1711

23 P NY WS 43 Pa 5 ex 540

CA New York NY 9/9

Tuckerton Radio Station, Tuckerton.

Please transmit following message Werner Salomonstrasse 16 Leipzig Mail
tausend simplimus flugblaetter two hundred each woche Berliner illustrierte
berliner tageblatt weekly hundred each lustige blaetter echo fliegende fifty each
jugend simplimus Kriegsgeschichten heftweise twenty leipziger illustrierte
answer

INTERNATIONAL NEWS Co.

83 Duane St. NY

Atlantic Communication Co. Serial No. 115

Station: Sayville

Character: TS Recd No. 113 Check: 15. Date recd: 2/1. Time recd: 127
pm Recd by: JO

Recd. from SS Berlin Via: Nauen. Date: 2/1/16

To: International News 83 Duane Street New York

Welche sachen brachten dampfer Noordam und Rotterdam

INTERNATIONAL NEWS

Others ahead CRC

Sent No. 92 NY Date Sent: 2/5 pm Sent by: J Recd by: PE

Atlantic Communication Co. Serial No. 175

Station: Sayville

Character: TS Recd: No. 37 Check: 11 Date Recd: Mar 3 Time Recd
8:20 am Recd. By: JO

Recd. from SS Berlin p Via: Nauen Date: Mar 3/16

To International News 83 Duane St. NYK

Sent 1377 parcels.

INTERNATIONAL NEWS.

Others ahead CCW

Sent No. 2 Say Date Sent: Mar 3 Time Sent: 836 am Sent By: X Recd.
By: PE

Atlantic Communication Co. Serial No. 1070

Station:

Character: Recd. No. 948 Check: 11. Date recd: Time Recd: 342p Recd.
by: fh

Recd. from SS Berlin. Via poz Date: 1/9/16

To: International News 83 Duane Street, New York

Sent 1045 parchs

INTERNATIONAL NEWS

Sent No. Date Sent: Time Sent: Sent by: Recd. by:

Atlantic Communication Co. Serial No. 2219

Station: Sayville

Character: TS. Recd. No. 1861. Check: 14. Date Recd: Mar. 22nd Time
Recd: 9:15 pm Recd. By: JO

Recd. from S. S. Berlin Via Nauen Date: Mar 22nd/16

To: International News 83 Duane Street New York

Wehlendes wahrscheinlich dampfer Rotterdam vielleicht beschlangnahmt

INTERNATIONAL NEWS

Others Ahead CRC

Sent No. 8 N.Y. Date Sent: Mar 22nd. Time Sent: 10:28 am Sent by: B.
Recd. by: PE

1712 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co. Serial No. 2218

Station: Sayville

Character: TS. Recd. No. 1860. Check: 13. Date Recd: Mar 22 Time Recd:
913 am. Recd. By: JO.

Recd. from S. S. Berlin. Via: Nauen. Date: Mar 22-16

To: International News 83 Duan Street NYK.

Sent 537 and 567 parcels.

INTERNATIONAL NEWS.

Others ahead CCRC

Sent No. 2 Say. Date Sent: Mar 22. Time Sent: 952 am Sent by: B Recd
by: PE

Atlantic Communication Co. Serial No. 2028

Station: Sayville.

Character: TS. Recd. No. 1958 Check: 11. Date Recd. Apr 18 Time Recd:
1227 pm Recd. By: JO

Recd. from S. S. Berlin Via: Nauen. Date: Apr 18—

To: Internatl News 83 Duane St NYK

Sent 1045 parcels.

INTERNATL NEWS.

Others ahead JCL.

Sent No. B 11 Say Date Sent: Apr 18 Time Sent: 207 pm Sent by: A
Recd. By: FO

Atlantic Communication Co. Serial No. 2189

Station: Sayville

Character: TS. Recd. No. 2180. Check: 17. Date Recd. Apr Time Recd:
818 am Recd. By JO

Recd. from S. S. Berlin. Via: Nauen Date: Apr 22/16

To: Internatl News 83 Duane St. NYK

Es fahlen bestellungen 3803 bis 3805 3737 bis 3739.

INTERNATL NEWS.

Others ahead JCL.

Sent No. [9] 61 Say. Date Sent: Apr. 22. Time Sent: 107 pm Sent by: X
Recd. by: PE

Atlantic Communication No. Serial No. 481

Character: TS. Recd. No. 357. Check: 16 paid. Date recd. 1/5/16

Time Recd: 450 p Recd. By: FH

Recd. from S. S. Berlin. Via: Nauen. Date: 1/5/16

To International News, 83 Duane Street New York

303 parcels 22 december 246 parcels 31 december.

INTERNATIONAL NEWS.

Others ahead JCL

Sent No. B 93 ny. Date Sent 1/5/16. Time sent: 605 p Sent by: Q. Recd
by: PE

Atlantic Communication Co. . Serial No. 555

Station:

Character: Recd. No. 410. Check: 17 Date Recd: Time Recd: 1040
Recd. by: jo

Recd. from S. S. Berlin. Via poz. Date 1/6-16

To International News 83 Duane St. New York

Sent 935 parchs 24 December 1535 parchs 31 December

INTERNATIONAL NEWS.

(Held by Censor.) (Pencil notation)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1713

Atlantic Communication Co. Serial No. 541

Station: Sayville.

Character: TS. Recd. No. 456. Check: 11. Date Recd: Apr 5 Time Recd: 744 am Recd. by: OJ

Recd. from S. S. Berlin. Via Nauen. Date: Apr 5-16.

To: Intl News. 83 Duane St. NYK.

Sent 1264 parcels.

INTERNATIONAL NEWS.

Others ahead CCW.

Sent No. 29 Say. Date Sent: Apr. 5. Time sent: 848 am. Sent by: X.
Recd. by: PE.

Atlantic Communication Co. Serial No. 1181

Station: Sayville.

Character: TS. Recd. No. 1101. Check: 11. Date Recd: Apr 11. Time Recd: 714 am. Recd. By: OJ.

Recd. from S. S. Berlin. via: Nauen. Date Apr 11/16.

To: Internatl News 83 Duane St. NY

Sent 1346 parcels.

INTERNATL NEWS.

Others ahead JCL.

Sent No. 15 Say. Date sent: Apr. 11. Time Sent: 856 am Sent by: A.
Recd. by: PE.

Atlantic Communication Co. Serial No. 1283.

Station: Sayville.

Character: TS. Recd. No. 1106. Check: 16. Date recd: Time Recd: 1023 am. Recd. by: FH.

Recd. from S. S. Berlin. Via: Nauen. Date: 6/26-16.

To International News 83 Duane Str NYK.

Sollen Schweizer und ausland zietungen auch abbestellt werden.

INTERNATIONAL NEWS.

LEL.

Sent No. 47 NY. Date Sent: 6/26. Time Sent: 11/29 am Sent by: B.
Recd. by: PE.

Atlantic Communication Co. Serial No. 936

Station:

Character: Recd. No. 51NY. Check: 30/29. Time Recd: 623 pm Recd. by: X.

From: Ca Newyork 17

To: Werner Salomonstrasse 16 Leipzig.

Letters oneeightytwo to oneeightyeight missing ship *steinbrener if war*
or
insurance covers capture or loss on land/see answer date of shipment

INTERNATIONAL NEWS.

Sent No. 936. Time Sent: 250 a Date sent: Aug 18 1915. Sent via: Sent
by: Auto. Confirmed by: date: Time:

Atlantic Communication Co. Serial No. 2023

Station:

Character: Recd. No. 84 NY. Check: 35. Time recd. 628 pm Recd. by: x.

From: Ca Newyork 15 Date: Nov. 15

To: Werner Salomonstrasse 16 Leipzig.

Hundredfifty daheimkalender fifteen sonntagszeitung hundred gartenlaube
wochenheft twohundredfifty wahre jakob twentyfive simplicissimus sixteen
following two hundred buch fuer alls twentyone to twenty eight ten wisner
Illustrierte current fliegende blaetter zweites semester.

INTERNATIONAL NEWS. (Postal)

Sent No. 2023. Time Sent: 4:36 a. Date Sent: Nov 16 1915. Sent via:
Sent by: Auto. Confirmed by: Date: Time: Nov 16 19.

1714 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA

Atlantic Communication Co. Serial No. 350

Station:

Character: Recd. No. B57NY. Check: 47. Time Recd: 638 pm Recd. by: X

From: NY Newyork 10 Date: Sept 10

To: Werner Salomonstrasse 16 Leipzig.

Parcelpost more fivethousand Kaiserkalender lahrer hinkender bote thousand fliegende blaetter kal # # # ender kreuzband twohundred woche picture hindeburg one mark ullstein hundred flemming kriegskarte twelve generalkarte five velhagens russland franzossisch belgisch crient ullsteins kriegsbeucher five breitner kriegsbilder bound sixty dahelm seventy velhagens monatscheffe

INTERNATIONAL NEWS.

Sent No. Time Sent: 402a. Date Sent: Sept 17 1915. Sent via: Sent by OJ. Confirmed by: Date: Time:

Atlantic Communication Co. Serial No. A 350

Station:

From: Sayville Sept 10 Date:

To: NY NewYork

Yrs date werner Leipzig sined international News held by censor rewritten showing meaning.

SAYVILLE 10

Sent No. INY. Time Sent: [402-a-] Date Sent: Sept 11-15. Sent Via: Sent by: OJ Confirmed by: Date: 31. Time:

Station: Atlantic Communication Co. Serial No. 436.

Character: Recd. No. 412. Check: 938/924. press. call. Date Recd: Time

Recd: 758 a. Recd. By CF.

date 3/15/17

Recd. fro S. S.

To: International News Service Newyork.

Four section on frederick stop to all who passed through kirkwall falmouth dover where search very businesslike but with little show force this imposing army revaluation severed somewhat comic opera gently sarcastic comment germans stop armed rifles bayonets everywhere crowded decks corridors halls stop passengers different decks separated guarded by bayoneteers stop furniture removed musicroom curtained off into number quote black cabinets endquote third degree chambers inquisition began upper promenade deck with countess bernstorff much her surprise stop not knowing wife was be compelled undergo humiliation bodily search ambassador no chance protest stop countess taken into cabin other side ship where inspectress awaiting her officer standing guard before search took including ripping insoles out her shoes ten minutes afterwards countess taken own cabin where compelled remain three hours with sentry rifle bayonet front door stop aroused intense indignation among germans even proally neutrals characterized it quote bad taste endquote on part british stop prince hatzfeld both stripped for some reason princess searched particular rightness relating experience told how inspectress pulled big toes see if genuine and if anything concealed between toes stop even infant baby princess huberta no excaped stripping schieved fame being youngest historic frederick searched all while protesting vociferously could be heard three decks stop baby princess being like common babies something happened was hurry call for dry clothes stop mother baby being searched in some mans cabin whose wardrobe didnt include necessary article stop bayoneteer sentry at door wouldnt let anyone but finally commander called decide momentous question whether much needed dry article could be sent for stop he was equal emergency ordered be sent for to princess own cabin armed sentry escorted messenger and fourcornered cloth back stop in end inspectress forgot search babys bed outside which could had hundred documents concealed stop downstairs another comedy transpiring blue jackets guard dining room door being called out to consul baron ungelter quote here hold my gun moment endquote even storm indignation over search gave way merriment when germans saw consul standing guard rifle bayonet stop upon return to post said or asked how feltgive

run enemy quote guess we alike in sight god germans no worse nor worse we endquote stop my turn soon came four sailors rifles bayonets two officers came cabin with officer one guard in front three and officer behind marched through corridor lined armed bluejackets to deck above there ten with rifles five each sideguarded door to inquisition chambers stop couldnt been more guarded if taken to marching countermarching long files up down stairs reminded strongly pinafore and pirates pensanze quote coat vest off please endquote commanded assistant paymaster sheerin quote now pants shoes endquote there I rebelled declared even meek americans considered pants strictly private property by assurances nothing dangerous british lion in mine was no avail sheerin threatened send for reenforcements not having yet found my trunk considered wise not submit only chair british american tug war protested indignantly to which sheerin politely replied quote somehow our people dont seem pay much attention american howls end quote held undershirt to light for writing looking between folds collar tie sounded soles shoes tried under rubber heels stop my experience that many others stop soles lgels shoes bored through for secret documents other rubber heels offpriedstop after two days much armed forces disappeared stop increasing friction between navy officers customs inspectors became evident especially after two customs searchers taken off ship had attacked resulting order close ships bar this evoked loud protest many passengers who declared penned like sheet ship bad enough but on dry ship would result mutiny stop that two customs searchers became intoxicated on duty exceedingly painful to navy officers stop next all women outburst indignation to adair hall that customs inspectors going through cabins quote robbed end quote them hot water bags stop as rubber on list contraband canadian inspectors out carried to letter even trying take away two dozen nipples from doctor fuehr for use his infant only threat faehr I had quote would tell newspapermen endquote and result two navy officers who gruffly ordered inspector put back saved nipples stop gallant irish commander came assistance ladies endeavored get waterbottles back from customs whom several navy officers characterized as quote band bags had this disappeared where failed get them adairhall went down own pockets bought new ones presented ladies stop search lacked centralized direction authority split between navy supposedly in charge customs inspectors postoffice censor stop insisted search cabins only in charge customs inspectors postoffice censor stop insisted search cabins only in absence occupants by customs led considerable unnecessary losses unnecessary exposing customs to suspicion stop kirkwall talmouth my experience officers only will search in presence occupant here insisted removal occupants regardless protest consequence discovery made to last day voyage articles missing stop while british naval officers gentlemanly generous courteous freely characterized as quote dirty job only for detectives police shouldnt be required of navy endquote adair hyphen hall apparently exerting insult must take edge severity of orders customs and female inspectresses other hand much complained of seemed disposed be petty annoying bernstorff albert others complained even baskets fruits sent by friends taken stop view this other things presence newspapermen seemed embarrassing to navy officers who asked correspondent bring attention justified complaints or any acts injustice on part either their men or customs stop when during search cabin bernstorff fuehrs bottle cognac disappeared from each and sampling private stock other cabins to determine contraband began manifesting itself in irish songs and jigs on deck by two three customs adairhall much distressed stop more.

WIEGAND.

Sent No. 5. Date Sent 3/15. Time Sent: 948a. Sent by: X. Recd. by: PE.

Received at Tuckerton Station. Via Western Union. Destination Leipzig.
Origin: New York. Date filed 12th.

sixteen

To Werner Salomonstrasse [16] Leipzig.

Mall fifty each Kriegersgeschichten heftweise simplimus Jugend twenty leipziger illustrierte Kladderadatsch Zukunft three hundred Kriegskarten Sortiert.

INTERNATIONAL NEWS.

(Approved Keyzger)

(No Ack. Cancelled via W. U.)

9-22 No. 11. Opr. sending TG. Check 21. Date and hour 9-14-14 748p

1716 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Western Union

Receivers No. 15. Time filed 3 pm 12/14 Check 21. Atlantic City

Send New York.

Werner, Salomonstrasse 16 Leipzig.

Mail three hundred Kriegskarten Sortiert 50 each Kriegsgeschichten Heft-
weise simplimus Jugend 20 leipziger illustrierte Kladderadatsch Zukunft.

INTERNATIONAL NEWS. (copy)

U. S. Naval Radio Service

Received at Tuckerton Station. via Western Union.

Destination: Leipzig. Origin: Atlantic City. Date filed 12th.
sixteen

To Werner Salomonstrasse [16] Leipzig.

Mail Tausend Simplimus Flugblaetter two hundred each woche berliner illus-
trier berliner tageblatt weekly hundred each lustigeblaetter Echo Fliegende.
Reply.

INTER NATIONAL NEWS.

(Approved

(No ack. Cancelled via W. U. 9/22.)

Forwarded to Leipzig by Radio.

No. 9. Opr. sending TG. Check 25. Date and hour sent 9-14-14 727 p. m

O. K. Wa. Western Union F. MR.

Receivers No. 16. Time filed 3:06 pm 9/12/14 Check 25 Atlantic City.

Send Werner Salomonstrasse 16 Leipzig.

Mail Tausend Simplimus Slugblaetter 200 each woche berliner illustrier
berliner tageblatt weekly hundred each lustige blaetter echo Fliegende—
answer—Reply.

INTER NATIONAL NEWS (copy)

Commercial Traffic

U. S. Naval Radio Service. S. R. S. No. 22800

Received: Station Tuckerton. N. J. Date Dec 27 1915.

Office of origin J New York. No. 1. Operator recd. MA Check 28 paid. Filing
date: 27th.

Received from W. U. (Call letters) MH Via Atlantic City.

To Foreign Minister, Vonjaglow Wilhelmstrasse Berlin.

European correspondents sending out alarming reports as to health of Em-
peror William stop. We would appreciate official statement from you.

INTERNATIONAL NEWS SERVICE.

10:35 a. m.

Acknowledged Dec 28, 1915.

(Approved A. E. Lichtenstein Censor.

Forwarded to radio station Ellvase, via radio.

Office of origin New York. No. 204. Operator In. Check 28 paid. Date
filing Dec 27 1915 Forwarding 9:40 p.

Atlantic Communication Co. Serial No. 3.

Station:

Character: Recd. No. 3wn. Check: m 10. Date recd. Time recd. 357 p

Recd. by: X.

From: New York 1 Date 5/1/15

To Pressphoto Sundikat Alexandrinenstrasse 110 Berlin

Proposition Accepted.

INTERNATIONAL NEWS SERVICE.

Sent No. 3. Time send: 12:35. Date sent: 5/5. Sent via: Sent by: aut.
Confirmed by: date: 5/12.

Commercial Traffic

U. S. Naval Radio Service.

Received: Station Tuckerton, N. J. Date: Jul 15 1916.

Office of origin: Berlin. No. 399. Operator Send SZ Recd. LE Check 57.

Filing time 1038A.

Received from Ellvase, Germany. Call Letters "OUI". Via Direct.

To International News 88 Duane Street NYK

Nur oestermesse bezahlt kassabestand mit market 33710 lagende pakete und fakturen 2103 packmaterial 1776 gesamtwert genannter sendungen bis 15 April bar 14725 rechnung 7054 versicherung 815 560 712 676 gesamtwert der avise 1015 bis 1017 bar 2689 rechnung 70 ports in maerz 15874 April 5498 mai 245 Juni 200

INTERNATIONAL NEWS.

(E. A. Lichtenstein)

Via Western Union, Atlantic City. Office of origin Berlin No. 43 Operator and JO Check 57. Filing date Jul 15, 1916. Time 2pm.

Atlantic Communication Co. Serial No. 379.

Station:

Character: TS. Recd. No. 31 NY. Check 11. Date recd: Time Recd: 328pm

Recd by: FO

From CB Newyork Date: July 21/15.

To. Messer Film, Blucherstrasse 32 Berlin, Germany.

Third shipment arrived.

INTERNATIONAL NEWS.

Sent No. 379.

U. S. Naval Radio Service.

Received at Tuckertown By W. Rec. Opr. Feb 18 1915

Destination Leipzig. Origin New York. No. 97. Opr. sign FO Check 25.

Date filed 2/17/15.

To Werner 16 Salomonstrasse Leipzig.

250 Kriegsalbum woche 1000 universum one 100 following each on following
Wohlbefindungsheft 100 jugend 50 achtgegen 100 scherzzeitung.

INTERNATIONAL NEWS. 456 P

Approved G Joerns Censor.

Forwarded to Leipzig via Ellvase by radio. No. 460.

Opr. sending W. Check 25. Date and hour sent Feb 19 1915 1032P

(Acknowledged Feb 19 1915.)

Atlantic Communication Co. Serial No. [1310] 1326

Station: 1176

Character: TS. Recd. No. Check: 26 Coll. Time recd. 915 am Recd. by: letter

From: New York. Date: Oct. 16/15.

To: Warner Salomonstrasse 16 Leipzig.

Paketpost: tenthousand Kaiserkalendar five thousand lehrer linkender bote
three hundred gartenlaube doppelhummer twentyfive daheim universum hun-
dred gartenlaube wochenheft seventy bibliothek des wissens.

INTERNATIONAL NEWS.

Sent No. 1310. Time Sent: 426 a. Date sent: Oct 18 1915. Sent via: Sent
a JO Confirmed by: date: Time:

U. S. Naval Radio Service. S R S No.

Received at Tuckerton NH by W Rec. Opr. Dec 28 1914.

No. 26. Opr. sign FO. Check 32.

en only 50 Kriegskurier 350 Echo 1500
igkrieg 100 each Levykrieg Daserkrieg
rieg.

INTERNATIONAL NEWS.

No. 861. Opr. sending N. Check 32.

1718 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co. Serial No. 1553

Station:

Recd No. 502 NY WU Check: 25. Time recd, 7p. Recd by: magr

From S New York 23 Date 9 25

To Werner Salmonstrasse 16 Liepzig

Fifty ueberland universum fortythree following hundred doppellaube cut thirty
liepziger parcelpost english dictionaries twelve james Grieb fifty Koehler large

INTERNATIONAL NEWS

(CCW) (MJ) (SRS Cy)

Atlantic Communication Co. Serial No. 417.

Station:

Recd. No. WU. Check: 25. Time Recd. 744. Recd. by Magr.

From S. Newyork Sept 1 Date Sept 11/15

To Werner Salmonstrasse 16 Liepzig

Each hundred vaterland bilderatlas Velklasing russland fransoseisch Belgisch
fifty meyer brockjaus ulletin kriegsatlas kriegsalbum flemming number three
nine twentyone

INTERNATIONAL NEWS

(M J) (JCL)

Sent No. 417 Time Sent 333a. Date Sent: Sep 18 1915. Sent Via: Sent
by: OJ.

Atlantic Communication Co. Serial No. 1096.

Station:

Check: 38. Time Recd. 7p. Recd. by: magr.

From: J New York Date 9/22/15.

To: Grand Admiral Vontirpitz, Admiralty, Berlin.

Germany submarine blockade is effect seven months we would appreciate
statement from you as to its results and aims also statement as to admiralty
views on concessions granted to america

INTERNATIONAL NEWS SERVICE.

(CCW) (MJ)

Time sent: 345 a. Date sent: Sep 24 1915. Sent by Auto.

Commercial Traffic S R S No 14655

U. S. Naval Radio Service.

Received: Station Tuckerton, N. J. Date Oct. 13, 1915.

Office of origin J Newyork. No. 63. Operator recg. DL Check 15. Filing
date 12.

Received from W. U. Call letters MH Via Atlantic City.

To: Messter Film Blueherstrasse Thirtytwo Berlin.

Using five hundred feet shipment August second.

INTERNATIONAL NEWS SERVICE 555 pm

(Acknowledged Oct 17 1915.

(Approved E. A. Lichlenstein Censor)

To station Ellvese via Radio. Office of origin New York No. 307. Operator
Send W. Check 15. Filing date Oct 15 1915 8:25 p

Atlantic Communication Co. Serial No. 2963.

Station:

Recd. No. 9 ny. Check 29 paid. Time recd. 1052 am Recd by X.

From Jx Newyork 27 Date: Dec. 27 1915

To: Foreign Minister Vonjagow. Wilhelmstrasse Berlin.

European correspondents sending out alarming reports as to health of Em
peror William. We would appreciate official statement from you.

INTERNATIONAL NEWS SERVICE.

(Postal) (MJ) (CRS)

Time Sent 925 p. Date sent: Dec. 27, 1915. Sent by Auto. Confirmed Date
Dec. 28, 1915.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1719

U. S. Naval Radio Service.

R S No. 786.

Received at Tuckerton via W.

Dec 2, 1914.

Destination Leipzig. Origin New York. Date filed 2nd.

To Werner Salomon Strasse 16 Leipzig.

Sixthousand assorted war postals continuation thousand Wezel Naumann more two hundred Universum hundred Berliner Illustrierte seventy-five Kladderadatsch.

INTERNATIONAL NEWS.

Approved

LAWRENCE TOWNSEND

Censor.

(MJ)

Forwarded to Leipzig via Ellvese by Radio. No. 739. Opr. sending XA

Check 23. Date and hour sent Dec 2 1914 950 p.

ST Dec 4 1914 822 p-849 p

Dec 7 1914 718 p

U. S. Naval Radio Service.

S R S No. 836

Received at Tuckerton Via W

Rec. Opr Dec 3, 1914

Destination Leipzig. Origin New York. Date filed 3rd.

To Werner Salomon Strasse 16 Leipzig.

Hurry twothousand each postcards 8886 to 8890 Beger Roeckel more three hundred timpliassimus.

INTERNATIONAL NEWS.

Approved

LAWRENCE TOWNSEND,

Censor.

(MI)

Forwarded to Leipzig via Ellvese by Radio.

No. 791 Opr. Sending W. Check 19. Date and hour sent Dec. 3, 1914 1914 p

Sup. instructions 1233 a Dec 4.

U. S. Naval Radio Service.

S R S 602.

Received at Tuckerton via W

Nov. 24, 1914.

Destination Leipzig. Origin New York. Date filed 24th.

To Herner Solomon Strasse 16, Leipzig.

Thousand Ullstein Krieg eins fivethousand continuation.

INTERNATIONAL NEWS.

(Confirmed)

Approved

C. B. PLITT,

Censor.

Forwarded to Leipzig via Ellvese by Radio. No. 542. Opr. sending IX Check 13. Date and hour sent 11-24-14 1003 p

11-25-14 739 p

11-26-14 1229 a.

U. S. Naval Radio Service

S R S No. 5307

Received at Tuckerton, N. J. 15 W. U.

Feb 21 1915.

Destination Leipzig. Origin Newyork. No. 27 Opr. sign FO

Check 19. Date filed 2/19/15.

To Werner 16 Walomonstrasse Leipzig.

110 Lustige three following 500 unionkrieg one following 500 ullsteinkrieg one 250 following.

INTERNATIONAL NEWS.

1020A

(MI)

Approved

G JOEMS

Censor.

Forwarded via Ellvese by Radio No. 66

(Acknowledged Feb 23 1915.)

Opr. sending XO. Check 19. Date and hour sent Feb. 23 1915 744p

1720 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

U. S. Naval Radio Service.

S R S 392

Received at Tuckerton via W.

1/28/15 1:16 pm

Destination Leipzig. Origin New York. No. 11. Opr. sign H.

Check 22. Date filed 27th/15.

To Werner Salomonstrasse 16 Leipzig.

5000 Unionkrieg one Gratis Mitt following continuation 2500 Hartkrieg continuation 150 only 240 Diesblat 250 Echo.

INTERNATIONAL NEWS.
(MI)

Approved

J. ALLISON,
Censor.

Forwarded to Leipzig via Ellvese by Radio. No. 589.

Apr. sending W. Check 22. Date and hour sent Jan 28 1915 950p

'Acknowledged Jan 28 1915.

U. S. Naval Radio Service

S R S No. 425.

Received at Tuckerton via W.

1/30/15 1:35 pm.

Destination Leipzig Origin New York. No. 8 Opr. sign H.

Check 25. Date filed 29.

To Werner Salomonstr 16 Leipzig.

Bongkreig 2500 one 500 following ullsteinkrieg 500 one 150 following Klad-
deradatsch 40 Quartal 200 einzeln lustige quartal only 440.

INTERNATIONAL NEWS.
(MI)

Approved

G. FOEMS,
Censor.

Forwarded to Leipzig via Ellvese by Radio. No. 774. Opr Sending ST

Check 25. Date and hour sent Feb 1 1915 1258 A.

(Acknowledged Feb 1 1915.)

U. S. Naval Radio Service.

S R S No. 4967.

Received at Tuckerton N J By W.

Feb. 18 1915.

Destination Leipzig. Origin New York. No. 22. Opr. sign FO

Check 19. Date filed 16th.

To Werner Salomonstrasse 16 Leipzig.

1000 woche one following 1000 hillgerkrieg one following only 750 flottes-
kalender 20 verlustliste.

INTERNATIONAL NEWS.

Approved
1022 A.

JOHNS
Censor
(MI)

Forwarded to Lliepzig via Ellvese. by Radio. No. 884. Opr. sending XC

Check 19. Date and hour sent Feb. 18 1915 539 p

(Acknowledged Feb 18 1915.)

Atlantic Communication Co.

Serial No. 396.

Station:

Recd. No. 294. Check: 10. Time recd: 359 P. Recd. by fh.

Recd. from Berlin. Via POX. Date Dec 2-15.

To International News 83 Duane Street Newyork

Want means

INTERNATIONAL NEWS.

(Held by Censor.)

(MI)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1721

Atlantic Communication No. 14066

Serial No. 2953

Station: Sayville.

Character: TS. Recd. No. 2940. Check 10 Collec. Date Recd. Oct 26

Time recd. 1151 AM Recd by: fhoj.

Recd. from Berlin via. Nauen. Date Oct. 26-15.

To International News 82 Duane St NY.

Want Means

INTERNATIONAL NEWS.

Others ahead

CCW.
(MI)

Sent No. b 25 NY Date sent: Oct 26. Time sent: 202 pm. Sent by: F.
Recd. by: FO.

U. S. Naval Communication Service. Commercial Traffic.

Office of origin Sayville L.I. N.Y.

Date Apr 11/17

To Berlin 100 46 Via Nauen.

International News Service New York

Seventeen Tuesday our press wireless continued being received and passed do you want wireless service continued will other routh soon be arranged is family well am owing to my assurance given upon entering held till June answer wireless and Copenhagen.

WIEGAND
Berlin
(MI)

(Undelivered)

Atlantic Communication Co. 7526

Serial No. 1309

Station: Sayville; L. I.

Recd. No. PR 253. Check: 10. Date recd: Sept. 24. Time recd: 7 24 am

Recd. from Leipzig Via: Nauen. Date: Sept. 24.

To: International News, 83 Duane Street, Newyork

2948 Amsterdam.

INTERNATIONAL NEWS.
(MI)

(Held by Secretary of the Navy.)

Atlantic Communication Co. 8350.

Serial No. 1708

Station: Sayville, L. I.

Recd. No. PR 649. Check: 10. Date Recd: Sept. 27.

Time Recd: 4.39 am. Recd. By:

Recd. from: Leipzig. Via: Nauen. Date: Sept. 27.

To: International News, 83 Duane Str., New York.

1831 Nordam.

INTERNATIONAL NEWS.
(MI)

(Held by Secretary of the Navy)

Atlantic Communication Co.

Serial No. 3650.

Station: Sayville.

Character TS. Recd. No. 3543. Check 90 paid. Date recd: Dec. 30.

Time recd: 11.37 am. Recd. by: jo.

Recd. from S. S. Berlin. Via: Nauen. Date: Dec. 30/16.

To International News Service NYK.

With reference to your wireless to German Foreign Minister Von Jagow I learn from an authoritative source that all alarming reports concerning German Emperor's health are unfounded his Majesty is suffering from a harmless carbuncle the Emperor is not confined to his bed but has been advised to remain indoors owing to the treacherous weather His Majestys daily work is in no way affected the Emperor receiving the regular reports of the Secretaries of State Ministers and of Military and Naval personages as usual.

AUGUSTUS BEACH.

Others ahead.

CRC
(MI)

Sent No. 60 NY. Date Sent: Dec. 30. Time sent 12 p. Sent by X. Recd. by: PE.

1722 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co.

Serial No. 555

Station:

Recd. No. 410. Check: 17. Time recd. 1040. Recd. by: jo.

Recd. from S. S. Berlin. Via poz. Date 1/6/15.

To International News 83 Duane St Newyork.

Sent 935 parchs 24 December 1535 parchs 31 December.

INTERNATIONAL NEWS.

U. S. Naval Radio Service.

S R S No. 2441

Received at Tuckerton by WU 632p 1/5/15 Destination Leipzig.

Origin New York. No. 44. Opr. sign FO. Check 15. Date filed 5.

To Werner Salomonstrasse 16 Leipzig.

150 helmwep bound only 4000 jakob 1000 fugblaetter simplicissimus.

INTERNATIONAL NEWS.

Approved.

L. TOWNSEND, Jr., *Censor.*

Forwarded to Leipzig via Ellvese by Rdo. No. 287. Opr. sending N. Check 15. Date and hour sent Jan 5 1915 835 p. m. (Jan 5 1915 ack.)

U. S. Naval Radio Service.

S R S No. 1407.

Received at Tuckerton via W. 12/18/14.

Destination Leipzig. Origin New York. No. 53. Opr. sign FO.

Check 15. Date filed 18th.

To Werner, Salomon, Strasse 16 Leipzig.

Cin inuation sixhundred daheimkrieg hundred each Kalenders flottenverlin flegende.

INTERNATIONAL NEWS.

Approved

F. X. GYGAX,
Censor.

Acknowledged

Forwarded to Leipzig via Ellvese by Radio. No. 351

Opr. sending N. Check 15. Date and hour sent Dec 19 1914 228 a. m.

Dec 20 1914 1211 a

U. S. Naval Radio Service.

S R S No. 1500

Received at Tuckerton by WU 447 pm 12/21/14.

Destination Leipzig. Origin New York. No. 15. Opr. sign H.

Check 20. Date filed 21st.

To Werner Salomonstrasse 16 Leipzig.

Only 1800 Berliner Tageblatt 6000 woche cancel order 9376 where reu reichels kalender answer.

INTERNATIONAL NEWS.

Approved

G. JOERNS,
Censor.

(Ack).

Forwarded to Leipzig via Ellvese by Rdo. No. 435. Opr. sending N

Check 20. Date and hour sent Dec 21 1914 513 pm

Dec 22 1914 854 p

U. S. Naval Radio Service

S R S No. 1105

Received at Tuckerton via W. 12/11/14.

Destination Leipzig. Origin New York. No. 34. Opr. sign H.

Check 22. Date filed 11th.

To Werner Solomon Strasse 16 Leipzig.

Also arrange war risk insurance steamer cabels and all details with America Express Company Rotterdam.

INTERNATIONAL NEWS.

Approved

LAWRENCE TOWNSEND, Jr.,
Censor.

Forwarded to Leipzig via Ellvese by Radio. No. 77.

Opr. sending XQ. Check 22. Date and hour sent Dec. 11 1914 1147 pm

(Acknowledged)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1723

U. S. Naval Radio Service

SRS No 1101

Received at Tuckertown via W. 12/11/14

Destination Leipzig Origin New York No. 20 Opr. Sign H Check 21 Date filed 11th

To Werner Salomon Strasse 16 Leipzig

Ship hereafter through American Express Company Rotterdam which guarantees prompt shipment with fast steamers.

Sig. INTERNATIONAL NEWS.

Approved

LAWRENCE TOWNSEND Jr., *Censor*.

Forwarded to Leipzig via Ellvese By radio

No. 73 Opr. sending XQ Check 21 Date and hour sent Dec 11 1914 1131 PM.

Acknowledged

[Western Union telegram.]

Received at Radio Station Tuckerton, N. J.

12/11/14

Number 30 Sent by MH Received by H Check 21

Dated S-New York, N. Y. 12/11/14

To Werner Salomon Strasse 16 Leipzig

Ship hereafter through American Express Company Rotterdam which guarantees prompt shipment with fast steamers

INTERNATIONAL NEWS.

604 pm

U. S. Naval Radio Service

SRS No 796

Received at Tuckerton via W.

Dec. 2, 1914.

Destination Leipzig Origin New York Date filed 2nd

To Werner Salomon, Strasse 16 Leipzig.

Mail hundred December daily Berliner lokal anzieger.

Sig. INTERNATIONAL NEWS.

Approved

LAWRENCE TOWNSEND Jr., *Censor*.

Forwarded to Leipzig via Ellvese By radio No. 750 Opr. Sending XQ Check 14 Date and Hour Sent Dec 3, 1914, 1211 am

[Western Union telegram.]

Received at

Dec 2, 1914

Number 23 Sent by MH Received by FO Check 14

Dated New York

Dec. 2, 1914

To Werner Salomon Strasse 16 Leipzig

Mail hundred december daily berliner lokal anzieger

INTERNATIONAL NEWS.

642 p

U. S. Naval Radio Service.

S R S No. 178

Received at Tuckerton via P. Date filed 28th.

October 28, 1914.

To Werner Salomonstrasse 16 Leipzig

Kriegsgeschichton reichlich ersto hefte eventuell billigst continuation hundert heller hartleben salzer sweihundert levy volz daser vierhundert bong weber. velhagen.

Sig. INTERNATIONAL NEWS.

Approved

F. X. GYGAX.

Forwarded to Leipzig via Ellvese By Radio

No. 75 Opr. sending C Check 25 Date and hour sent 10/29/14-10:15 P. M.

1724 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

[Postal Telegraph—Commercial cables telegram.]

Ca New York 28th

Tuckerton Radio Station, N. J.

Please transmit following message

Werner Salomonstrasse 16 Leipzig

Kriegsgeschichton reichlich erste heste eventuell gilliget continuation hundert heller hartleben salzer zweihundert levy volz daser vierhundert bong weber velhagen.

INTERNATIONAL NEWS.

440 P. M.

U. S. Naval Radio Service

Received at Tuckerton via W

Destination Leipzig. Origin New York. Date filed 28th.

To Werner Salomon Strasse 16, Leipzig.

All merakpapers received continuation 4500 Wakre Jakob 2500 Berliner Tageblatt more 100 Lustige Blaetter 200 woske forty following.

Sig. INTERNATIONAL NEWS

Approved

F. X. GYGAX,
Censor.

Forwarded to Leipzig via Ellvese By Radio

No. 639. Opr. Sending N Check 25 Date and Hour sent 28 826 P. M.
1129 P

17 MH FO 25

"S" New York 11-28

Werner, Salomon Strasse 16, Leipzig.

All merakpapers received continuation 4500 wakre jakob 2500 Berliner Tageblatt more 100 Lustige Blaetter 200 wocke forty following.

INTERNATIONAL NEWS.

151 pm

U. S. Naval Radio Service

SRS No 139

Received at Tuckerton via P.

OCTOBER 27, 1914.

Destination Leipzig. Origin New York. Date filed 27th.

To Werner Salomon Strasse 16 Leipzig

Confirmation sechstausend woche fuenfh undert kriegszeitung dreihundert leipziger illustricite vierhundert echo eventuell ballendepeschen drahtlos.

Sig. INTL NEWS.

Approved

C. B. PLATT

Forwarded to Leipzig via Ellvese By Radio

No. 34 Opr. sending W Check 20 Date and hour sent 10/28/14 10:53 P. M.

[Postal Telegraph—Commercial cables telegram.]

Received at 6:19 p. m. XQ

Delivery No. 10-27-14

No. 12 -19 pd. in Ca N. Y. Oct. 27.

Tuckerton Radio Station Tuckerton, N. J.

Werner Salomon Strasse 16 Leipzig

Continuation Cechstausend Woche suenfhunzert Kriegszeitung dreihundert leipziger illustuerte zierhundert echo ezentuell vallendepeschen drahtlos

INTL NEWS.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA: 1725

U. S. Naval Radio Service

SRS No 635

Received at Tuckerton Via W No. 25, 1914.

Destination Leipzig Origin New York Date Filed 25th

To Werner Salomon, Strasse 16 Leipzig.

Missing avie fakturen and consular invoice steamer Kerak send duplicates.
Sig. INTERNATIONAL NEWS.

Approved

LAWRENCE TOWNSEND, Jr.
Censor

Confirmed

Forwarded to Leipzig Via Ellvese By Radio

No. 576 Opr. sending St Check 17 Date and Hour Sent 11-25-14 1022 P. M.

[Western Union telegram.]

Receiver's No. 25-MH-H Time Filed 713 P. M. Check 17

Send the following Telegram, subject to the terms on back hereof, which are hereby agreed to

S New York 11-25-14.

Werner Salomon Strasse 16 Leipzig

Missing avis fakturen and consular invoice steamer Kerak send duplicates.
INTERNATIONAL NEWS

U. S. Naval Radio Service

S R S No. 11574.

Received at Tuckerton, N. J.

July 9, 1915.

Destination Leipzig Origin New York No. 36 Check 24 Date Filed 9

Relayed via Western Union

To Weiner Salomonstrasse 16 Leipzig

Continuation Mail hundred bazar zukunft twohundredfifty dahelm twelve-hundred gartenlaube fifty bilderatlas bruckmann

INTERNATIONAL NEWS

518P

Approved

E. A. LICHTENSTEIN
Censor

Forwarded to Ellvese by radio

No. 522 Opr. Sending B Check 24 Date and hour sent Jul 10 1915 9.08 P. M. Acknowledged

U. S. Naval Radio Service

S R S No. 11752

Received at Tuckerton, N. J. By H

July 15 1915

Destination Leipzig Origin S-New York No. 18 Opr. Sign Check 22

Date Filed 14

Relayed via Western Union

To Werner Salomonstrasse 16 Leipzig

Continuation Mail Hundredfifty bazar ninety interessante blatt eighthundred buchallo eighty modenwell fourhundred gartenlaube doublenumber fourteen-hundred weekly

INTERNATIONAL NEWS.

1139A

Acknowledged July 17 1915

Approved

E. A. LICHTENSTEIN
Censor

Forwarded to Ellvese By Radio

No. 705 Opr. Sending XF Check 22 Date and Hour Sent Jul 15 1915 10.59 P. M.

1726 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co.

Serial No. 217

Recd. No. 53 NY Check 24/22 Time Rec'd. 11.57 P. Rec'd By: D

From CA New York

Date July 16th/15

To Werner Salmonstrasse 16 Leipzig.

Continuation mail three hundred Leipziger sevenhundred Jugend sixhundred
simplicissimus landmoer twohundredeighty velhagen twothousandsevenhundred
woche hundred bilderatlas.

INTERNATIONAL NEWS.

U. S. Naval Radio Service

S R S No. 12005.

Received at Tuckerton, N. J. By H.

Jul 23 1915.

Destination Leipzig Origin New York No. 26 Check 20 Date Filed 23

Relayed via Western Union

To Werner Salomonstrasse 16 Leipzig

Tenthousand each lahrer reichel shipping instructions Follow only la.
dredsixty echo fourhundred universum threehundred stilkeieg

INTERNATIONAL NEWS

245P

Approved

E. A. LICHTENSTEIN

Censor

Forwarded to Ellvase By Radio

No. 963 Opr. Sending W Check 20 Date and Hour sent Jul 24 1915 5.37
A.M. Acknowledged Jul 25 1915.

U. S. Naval Radio Service

S R S No. 12106

Received at Tuckerton, N. J., by H.

Jul 27 1915

Destination Leipzig Origin S-New York No. 17 Check 14 Filed 26

Relayed via W. U.

To Werner Salomonstrasse 16 Leipzig

Continuation mail sevenhundred unionkrieg fivehundred Bongkrieg three-
hundred Ullsteinkrieg.

INTERNATIONAL NEWS

1159A

Approved

J. A. NELSON

Censor.

Forwarded to Ellvase By Radio

No. 70 Opr. Sending G Check 14 Date and Hour sent Jul 28, 1915 3.44
A.M. Jul 28 1915 11.05 p. Acknowledged Jul 29 1915

U. S. Naval Radio Service

S R S No. 12123

Received at Tuckerton, N. J. By H

Jul 27, 1915

Destination Leipzig Origin New York No. 33 Check 23 Date filed 27.

Relayed Via W.U.

To Werner Salomonstrasse 16 Leipzig

Mail more hundred bilderatlas part one twohundred prospectus twentyfive
weberkrieg two to ten continuation hundred vaterland montanus

INTERNATIONAL NEWS

415PM

Approved

J. A. NELSON

Censor.

Forwarded to Ellvase By Radio

No. 81 Opr. Sending G Check 23 Date and Hour Sent Jul 28 1915 5.13 AM
Jul 28 1915 11.20 p. Jul 29 1915 1.07 a. Acknowledged Jul 30 1915.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1727

U. S. Naval Radio Service s r s No. 12105
Destination Leipzig Origin S-New York No. 16 Check 28 Date filed 26
Received at Tuckerton, N. J. By H Jul 27, 1915.
Relayed Via W. U.
To Werner Salomonstrasse 16 Leipzig

Mail fivehundred each unionkrieg three to fourteen bogkrieg one threehundred
part two onehundred part three seven eight

INTERNATIONAL NEWS

1158A
Approved

J. A. NELSON
Censor.

Forwarded to Ellvase By Radio
No. 69 Opr. Sending G Check 28 Date and Hour sent Jul 28 1915 8.40 A.M.
Jul 28 1915 11.01 p. Acknowledged Jul 29 1915

Commercial traffic S. R. S. No. 12874.
U. S. Naval Radio Service
Received Tuckerton, N. J. Date Aug. 21st/15
Office of origin S-New York No. 26 Operator Send J Recg DL Check 21
Filing Date 20
Received from W. U. MH (call letters) via Atlantic City
To Werner Salomonstrasse 16 Leipzig

Threethousand woche twelvehundred buchalle sixhundred doppelaupe bong-
krieg fourhundred daheimkrieg undredtwenty hausfrau ninety modenwelt fourty
Fraukrieg.

INTERNATIONAL NEWS

215 PM
Approved
Acknowledged Aug 27 1014

J. A. NELSON,
Censor

Forwarded Via B Aug. 26 1915 9.46 p.
Office of Origin New York No. 816 Operator send H Check 21 Filing
date Aug. 26 1915 1.14 a

Commercial traffic S. R. S. No. 12624.
U. S. Naval Radio Service
Received Tuckerton, N. J. Date Aug 14, 1915.
Office of Origin S-New York No. 20 Operator Recg. C Check 24 Date
Filed 13th
Received from W. U. Atlantic City
To Werner Salomonstrasse 16 Leipzig.

Hundred hansfrau Novellen sixteenhundred gartenlaube Jakob elevenhundred
buahelle fivehundred doppellaube fourhundredfifty universum ninety zeit hun-
dredfourty wissen sevenhundred fliegende.

INTERNATIONAL NEWS

Approved

J. A. NELSON—*Censor*

Forwarded to Ellvase Aug 18, 1915 9.40 P.
Office of Origin New York No. 581 Check 24 Filing Date Aug. 15, 1915
11.47 p Aug. 17, 1915 11.03 p

Commercial traffic S. R. S. No. 11419.
U. S. Naval Radio Service Aug. 7, 1915.
Received Tuckerton, N. J.
Office of Origin S-New York No. 9 Operator Recg. H Check 22 Filing
Date 6
Received from W. U.
To Werner Salomonstrasse 16 Leipzig

Thousand fremdenblatt current threehundred fifty ueberland hundred fifty
uebermeer hundredsixty daheim answer if Steinbrener can ship fully insured

INTERNATIONAL NEWS

Approved
1043A

E. A. LICHTENSTEIN
Censor

Forwarded to Ellvase No. 378 Check 22 Operator send W Filing Date
Aug 8 1915 3.23 A. Aug 8 1915 10.28 p. Acknowledged Aug 9, 1915

1728 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA

Commercial traffic

U. S. Naval Radio Service

S. R. S. No. 12371

Received Tuckerton, N. J. 24

Aug. 6, 1915.

Office of Origin S-New York No. 2 Operator Recg. H Filing Date 5

Received from W. U.

To Werner Salmonstrasse 16 Leipzig

Nine hundred buchalle two thousand eight hundred woche hundred eighty
berliner illustrierte threehundredfifty daheimkrieg seven hundred fligende
current only two hundred ullsteinkrieg

INTERNATIONAL NEWS

1012 A

Approved

E. A. LICHTENSTEIN

Censor

Forwarded Ellvese Filing Date Aug. 6, 1915 9.36 P. Aug. 7, 1915 9.31 p
Acknowledged Aug. 9, 1915 No. 330 Operator send. G. Check 28/21

U. S. Naval Radio Service

S. R. S. No. 12330

Received at Tuckerton, N. J. By H

Aug 4, 1915.

Destination Berlin Origin New York No. 32 Check 17/16 Date Filed 4

Relayed via W. U.

To. Pressphoto Alexandrinestrasse 110 Berlin

Draft for hundred and fourteen dollars mailed June ninth

INTERNATIONAL NEWS SERVICE

349P

Approved

E. A. LICHTENSTEIN

Censor

Forwarded to Ellvese by Radio

No. 290 Opr. Sending XQ Check 17/16 Date and hour sent Aug 5, 1915-12
18A Acknowledged Aug. 5 1915

U. S. Naval Radio Service

S.R.S. No. 12306

Received at Tuckerton, N. J. By H

Aug 4, 1915

Destination Leipzig Origin S-New York No. 9 Check 13 Date Filed 3

Relayed via W. U.

To Werner Salomonstrasse 16 Leipzig

Mail five hundred Unionkrieg two three hundred gottberg kreuzerfahrten

INTERNATIONAL NEWS

1124A

Approved

E. A. LICHTENSTEIN

Censor

Forwarded to Ellvese BY Radio

No. 268 Opr. Sending XQ Check 13 Date and Hour Sent Aug. 4, 1915-
10:24 P. M. Acknowledged Aug 5 1915

U. S. Naval Radio Service

S R S No. 12283

Received at Tuckerton, N. J.

By H. Aug 3, 1915.

Destination Leipzig Origin S-New York No. 6 Check 24 Date Filed 2

Relayed via W. U.

To Werner Salomonstrasse 16 Leipzig

More tenthousand reichel shipping instructions follow mail hundred kriegs-
struvowel fifty each unser krieg dachau twenty liller kriegseitung bound

INTERNATIONAL NEWS

1017A

Approved

E. A. LICHTENSTEIN

Censor

Forwarded via Ellvese by radio

No. 245 Opr. Sending G Check 24 Date and Hour Sent Aug 4, 1915-12.02
A. M. Acknowledged Aug 4 1915

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1729

Atlantic Communication Co.

Serial No. 1988

Station: Sayville LI 13102

Character TS Check 20 Time Rec'd 9am Rec'd by: Letter

From: New York

Date: Oct 22 1915

To: Werner Salomonstrasse 16 Leipzig

Other firms received kaserkalender where copies for us and our customers answer send always unionkrieg beginning with part thirtysix send missing copies at once.

INTERNATIONAL NEWS

Time sent: 319a Date sent: Oct 24 1915 Sent by: T Confirmed Date: Oct 24 1915

Atlantic Communication Co.

Serial No. 1680

Station: Sayville NY 8488

Character Ts Check 14coll Time Rec'd 3pm Rec'd by: letter

From: New York Date: Sept—29/15

To: Werner Salomonstrasse 16 Leipzig

Consultas fakturen fuer packet post anfertigen und packete fortlaufend nummerieren

INTERNATIONAL NEWS.

Sent No. 1680 Time Sent: 1027 P Date Sent Oct 3, 1915 Sent by auto

Atlantic Communication Co.

Serial No. B 1553

Rec'd No. WU 8 NY Check SVC Time Rec'd: 280 PM Rec'd by: Msgr.

From: Date: Sept 29/15

To: Sayville

NY 23 weiner leipzig mag is ordering various german newspapers by international news co ny plain msg

Cable Dept NY Sep 29/15

Atlantic Communication Co.

Serial No. B 1554

From: Radio Sayville

Oct 8, 15

To: S New York "WU"

SOS 27th re your ok 23 dated 23rd routed via Tuckerton rerouted via Sayville to Werner Salomstrasse 16 Leipzig sgd International News still held Rewrite showing full meaning or cancel

Radio Sayville 3rd

Time sent: a.m. Date Sent: 10-4 Sent via W. U. Sent by: Msgr.

Atlantic Communication Co. Serial No. C 1554

Rec'd No. 26 NY Time Rec'd: 4 00 PM Rec'd by: CRC

From: Cable NYK Date: Oct 4, 15/15

To: Radio Sayville NY WU

SYS 3 re NY 23rd Werner Salomonstrasse 16 Leipzig Pls cancel

CABLE DEPT

NY Oct 4th 1915. 1:46 pm.

Atlantic Communication Co. Serial No. 1739

Station: Sayville LI 11668

Character Ts Rec'd No. 1712 Check 10Coll Date Recd: 10 16/15 Time

Recd: 1015 a Recd by: ojjo

Recd. from Berlin Via: Nauen Date: 10/16/15

To: International News 83 Duane St Newyork

Want means

INTERNATIONAL NEWS

Others ahead JCL

Sent by No. 66 NY Date Sent 10/16/15 Time Sent: 1152 a Sent by: FO

Recd by: XW.

1730 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA

Commercial traffic

U. S. Naval Radio Service S. R. S. No. 14135

Received Tuckerton, N. J. Date Oct 4, 1915.

Office of Origin New York No. 98 Recg. MA Check 20 Filing Date 1st

Received from W. U. Via: Atlantic City

To Werner Salomonstrasse 16 Leipzig

Parcel post fifty bound copies Liller Kreigseitung Herzog Heimweh two-hundred unionkrieg bongkreig hundred gartenlaube doubenumber.

INTERNATIONAL NEWS
430 PM

Approved

J. A. NELSON
Censor

Forwarded to Ellvase via Radio Oct 9, 1915 5.28A.

Office of Origin New York No. 910 Operator Send. G Check 20 Filing Date—Time Oct 8, 1915 12.26AM

Acknowledged Oct 4 1915

Atlantic Communication Co. Serial No. 1489. 8017.

Recd. No. 240 NY WU. Check: 18 Time Rec'd: 7:00 PM Rec'd by: Mstgr.

From NY New York Sept. 23. Date: Sept. 23/15.

To: Werner Salomonstrasse 16 Leipzig.

Send all Gratishefte buecher Lieferangswerke kalender by parcel post insured or not insured.

INTERNATIONAL NEWS

Sent No. 1489 Time Sent: 343 A Date Sent: Oct 2, 1915 Sent by: OJ
Confirmed Date Oct. 2, 1915.

Atlantic Communication Co. Serial No. A1553

From: Radio Sayville Sept. 27th, 15.

To: S New York per Cable Dept. "WU"

Your 502 NY 23rd routed Tuckerton rerouted Sayville to Werner Salomonstrasse 16 Leipzig sined International News held by Censor Must be rewritten showing full meaning in text.

RADIO SAYVILLE 27th.

Sent WU via Msgr 9 am 28th. C

Atlantic Communication Co. Serial No. 1554A

From: Sayville 9/27/15 Date: 9/27/15.

To: S New York "WU"

Your 254 NY 23rd ck 23 to Werner Leipzig sined International News held by censor rewrite showing full meaning in text.

SAYVILLE 27TH.

Sent to WU via Msgr at 9 am 28th C.

U. S. Naval Radio Service S R S No. 11245

Received at Tuckerton, N. J. By H. Jun 30, 1915

Prefix Radio Destination Leipzig Origin S-New York No 6 Check 24 Date Filed 29

Relayed Via Western Union

To Werner Salomonstrasse 16 Leipzig

Continuation mail eight hundred Gartenlaube weekly five hundred Fliegende Blatter six hundred Jugend two hundred fifty Klasig und Ichazens Velhagen Landmeer folio Wekerering Daheimkrieg fifteen hundred Jacob

INTERNATIONAL NEWS.

Forwarded to Ellvase by radio No. 206 Check 24 Date and hour sent Jul 2 1915. 11.24 p. m. Acknowledged Jul 8 1915 Opr sending C

1107 A Approved E. A. Lichtenstein; Censor

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1731

U. S. Naval Radio Service S R S No. 11389
Received at Tuckerton, N. J. By FO Jul 8, 1915
Prefix Radio Destination Leipzig Origin New York No. 15 Check 24 Date
Filed 2/15
Relayed Western Union Via
To Werner Lalornonstrasse 16 Leipzig.

Gartenlaube

Continuation mail 2500 Woche one thousand ~~{Gartenlaube}~~ A six hundred
Fliegende Buchalle two hundred Allewelt Five hundred Fremdenblatt Eng-
lish thirteen following seventyfive Interessante.

INTERNATIONAL NEWS.

1012A

Approved E. A. Lichtenstein Censor
Forwarded Via Ellvese By Radio Acknowledged. Jul 6-1915.
Prefix Radio No. 341 Opr. Sending N Check 24 Date and Hour Sent
Jul 5-1915 11:51 pm.

U S Naval Radio Service SRS No L0746
Received at Tuckerton, N. J. By H June 14, 1915
Prefix Radio Destination Leipzig Origin MS-New York No 14 Check 25
Date filed 14
Relayed via Western Union.
To Werner Salomonstrasse 16 Leipzig

Mail thousand American Simplicissimus Hundred Daheimkrieg Weberkrieg
Ullsteinkrieg Hartkrieg three hundred Bongkrieg five hundred Union Krieg
Stilkrieg hundred Bongkrieg three to seven

INTERNATIONAL NEWS

Approved E. A. Lichtenstein Censor Acknowledged Jun 18, 1915
Titles of Books on the war 413P
Forwarded via Ellvese By Radio
Prefix Radio No. 696 Opr. sending W Check 25 Date and hour sent Jun
18, 1915, 12:45 A

U S Naval Radio Service SRS No. 8910
Received at Tuckerton, N. J. By H Apr. 28 1915
Prefix Radio Destination Leipzig Origin New York No 6 Check 18 Date
filed 27
Relayed via W. U.
To Werner Salomonstrasse 16 Leipzig

Continuetion only three thousand Jacob six hundredfifty Velhagen twelfhun-
dred Simplicissimus elevenhundred Tageblatt hundred Brummer

INTERNATIONAL NEWS 11A

Approved J. A. Nelson Censor
Forwarded via Ellvese By Radio Date and hour sent Apr. 28, 1915 10:48
pm May 3 1915 1.34 a
Acknowledged May 3, 1915
May 10, 1915 5.17 a

U. S. Naval Radio Service SRS No L0049
Received at Tuckerton, N. J. By H May 22 1915
Prefix Radio Destination Leipzig Origin S-New York No 420 Check 14
Date Filed 22
Relayed via Western Union
To Werner Salomonstrasse 16 Leipzig

Hundred Weberkrieg threehundred Bongkrieg each one to eight

INTERNATIONAL NEWS

13SP Approved E. A. Lichtenstein Censor
Forwarded via Ellvese By RDO May 23, 1915
Prefix radio No 982 Opr sending FO Check 14 Date and hour sent May
23, 1915 1:28 Am
Acknowledged May 24, 1915 May 24 1915 9:47 p

1732 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

U S Naval Radio Service SRS No 8793

Received at Tuckerton, N. J. By H Apr 24 1915

Prefix Radio Destination Leipzig Origin New York No 70 Check 26 Date
filed 24

To Werner Salomonstrasse 16 Leipzig

English Simplicissimus only five hundred freight or three hundred Kreuzband
only thousand Woche Kreuzband cancel Quartalsweise and charge singly Jugend
Lustige Zukunft

INTERNATIONAL NEWS

452P Approved E. A. Lichtenstein Censor

Forwarded Via Ellvase By Radio

Prefix Radio No. 711 Opr. sending SX Check 26 Date and hour sent Apr
27 1915 12:15 am

Acknowledged Apr 30 1915

U. S. Naval Radio Service

Received at Tuckerton, N. J. By H Apr 7 1915 SRS No 7907

Prefix Radio Destination Leipzig Origin New York No 61 Check 14 Date
filed 6

Relayed via W. U.

To WERNER Salomonstrasse 16 Leipzig

Cash wireless today insure again all freight shipments

INTERNATIONAL NEWS
739P

Approved

J. A. NELSON,
Censor.

Forwarded via Ellvase by radio

Prefix Radio No 810 Opr sending N Check 14 Date and hour sent Apr 11,
1915, 11:36 PM Apr 13, 1915 9:54 PM Apr 14, 1915 7:52 PM Acknowledged
Apr 15, 1915

Atlantic Communication Co

Station: Sayville Serial No. 1418

Character TS Recd. No. p1082 Check: 27 Date recd: Mar 15 Time recd.
948 am Recd. by: JO

From Berlin Via Nauen Date Mar 15

To INTERNATIONAL NEWS 83 Duane St NYK

Inhalt der listen 014 015 am 5 and 12 Feb. Kreuzband abgesandt weg noch
unbeantwortet wenn kreuzbaender eingetroffen.

INTERNATIONAL NEWS.

Others ahead ORO

Wires down by mess 2 pm mar 15

Atlantic Communication Co. Serial No. 285

Station: Sayville, L. I. 8922

Character: TS Recd. No. 228 Check 25/24 Col CC Date recd: Oct. 3-15

Time recd: 10:15 A Recd. by: OJ-JO

Recd. from Leipzig via Poz Date Oct. 3-15

To INTERNATIONAL NEWS 83 Duane St NY

Versicherung 6 % Weiterversicherung immer kirzezeit und ungewiss Jet.
senden nur buscher bei Kressbaendern bedingund eingeschrieben.

INTERNATIONAL NEWS

Sent No, 18-NY Date sent: Oct. 3rd, 1915 Time sent: 11:17 A Sent by: X
Recd. by: PE

Atlantic Communication Co. Serial No. 861

Station: Sayville, L. I. 10008

Character: TS Recd. No 820 Check: 12 colec Date recd: Oct 8 Time recd
1145 am Recd. by: jo fh

Recd. from Leipzig Via Poz Date Oct 8-15

To INTERNATIONAL NEWS 88 Duane Str Newyork

2244 percels 5 October

INTERNATIONAL NEWS

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1733

Others ahead CCW

Sent No: 94 NY Date sent: Oct. 8 Time sent: 221 PM Sent by: f Recd.
by: xw

Atlantic Communication Co. Serial No. 2952.

Station: Sayville. 14065.

Character: TS. Recd. No. 2939. Check: 19 collec. Date recd.: Oct. 26.

Time recd.: 1150 am. Recd. by fhoj.

Recd. from Berlin Via Nauen. Date Oct. 26—15.

To INTERNATIONAL NEWS, 83 Duane St. NY.

Werden orders fuer lincoln clinton heirsanch schmidt maisel unter kreuzband
gewünscht.

INTERNATIONAL NEWS.

Others ahead. DMC.

Sent No. b 47 NY. Date sent: Oct. 26. Time sent: 840 pm. Sent by: F.
Recd. by: PE.

Atlantic Communication Co. Serial No. 3094.

Station: 14217.

Character: TS. Recd. No. 3095. Check: 12 collec. Date recd.: Oct. 27.

Time recd.: 1210 pm. Recd. by fhoj.

Recd. from Berlin via Nauen. Date Oct. 27—15.

To INTERNATIONAL NEWS, 83 Duane Street, NY.

1283 parcels 23 October.

INTERNATIONAL NEWS.

Other ahead. JCL.

Sent No. b 30 NY. Date sent: Oct. 27. Time sent: 146 pm. Sent by: F.
Recd by: LA.

Atlantic Communication Co. Serial No. 3096.

Station: Sayville. 14219.

Character: TS. Recd. No. 3097. Check: 17/16 collec. Date recd.: Oct. 27.

Time recd.: 1234 pm. Recd. by fhoj.

Recd. from Berlin Via Nauen. Date Oct. 27—15.

To INTERNATIONAL NEWS, 83 Duane St., NY.

Shipment now kreuzbank German mail insurance seven percent.

INTERNATIONAL NEWS.

Others ahead JCL.

Sent No. b 28 NY. Date sent: Oct. 27. Time sent: 148 pm. Sent by: F.
Recd. by: SJ.

Atlantic Communication Co. Serial No. 3095.

Station: Sayville. 14218.

Character: TS. Recd. No. 3096. Check: 16 collec. Date recd.: Oct. 27.

Time recd.: 1233 pm. Recd. by fhoj.

Recd. from Berlin Via Nauen. Date Oct. 27—15.

To INTERNATIONAL NEWS, 83 Duane Street, NY.

Shipments of Daiserkalender 19 October and 23 October.

INTERNATIONAL NEWS.

Others ahead JCL.

Sent No. 27 NY. Date sent: Oct. 27. Time sent: 141 pm. Sent by: F.
Recd. by: SJ.

Atlantic Communication Co 15760

Station Sayville Serial No. 420

Character TS Recd No 379 Check 11 paid Date recd Nov 3 Time recd 327
pm Recd by fhoj

Recd from Berlin via Nauen Date Nov 3—15

To International News 83 Duane Street NYK

Sent 1056 Parcels

INTERNATIONAL NEWS

Others ahead CRC

Sent No 82 NY Date sent Nov 3 Time sent 601 pm Sent by F Recd by LH

1734 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co 14347

Station: Serial No. 2571

Character Recd No 81 NY Check 12 Time recd 731p Recd by FO

From CA Newyork Oct 27

To Werner Salomonstrasse 16 Leipzig

Kreuzband direkte deutsche post versichert einverstanden

INTERNATIONAL NEWS

JOL

Time sent 811p Date sent Oct 30—15 Sent by Auto

Atlantic Communication Co 15759

Station: Sayville Serial No. 419

Character TS Recd No 378 Check 17 paid Date recd Nov 3 Time recd 324 pm Recd by fhoj

Recd from Berlin Via Nauen Nov 3—15

To International News 83 Duane Street NYK

Weiteres geld anweisen express company 15000 scherl und uns

INTERNATIONAL NEWS

Others ahead CRC

Sent No. 81 NY Date sent Nov 3 Time sent 6 pm Sent by F Recd LH

Atlantic Communication Co 15761

Station Sayville Serial No. 421

Character TS Recd No. 380 Check 13 paid Date recd Nov 3 Time recd 320 pm Recd by fhoj

Recd from Berlin Via Nauen Date Nov 3—15

International News 83 Duane Street NYK

Wieviel gartenlaube unter kreuzband gewuenscht

INTERNATIONAL NEWS

Others ahead CRC

Sent No 83 NY Date sent Nov 3 Time sent 602 pm Sent by F Recd by LH

Atlantic Communication Co 16240

Station Serial No. 576

Recd No. 100NY Check 16 Time recd. 742p Recd By FO

From CA Newyork Date 11/4

To Werner Salomonstrasse 16 Leipzig

Wuenschen Ganze continuation gartenlaube unter kreuzband 1800 wochenbeft 1200 doppelnummer

INTERNATIONAL NEWS
POSTAL

JCC

Sent No 576 Time sent 144a Date sent Nov7-1915 Sent by AUTO

Atlantic Communication Co. 17449

Station: Sayville, L. I. N. Y. Serial No. 1196

Recd No. 1155 Check: 13 Date Recd: Nov. 9 Time Aecd: 1037am Recd by: ojjo

Recd from Berlin via Nauen Nov. 9-15

To: International News 83 Duane St., New york

Sent 798 and 908 parchs.

INTERNATIONAL NEWS

Atlantic Communication Co. 18174

Station: Sayville Serial No 1577

Character: TS Recd No. 1533 Check: 13 paid Date Recd Nov 11 Time Recd: 1221pm Recd by fhoj

Recd. from Berlin via Nauen Nov. 11-15

To: International News 83 Duane Stree NYK

Shipment Steinbremen carlender 11 November

INTERNATIONAL NEWS

others ahead JCL

Sent No. b 46 NY Date Sent: Nov 11 Time Sent: 148pm Sent by: F
Recd by: PE

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1735

Atlantic Communication Co.

Station: Sayville Serial No. 1910

Character: TS Recd No: 1773 Check: 12 paid Date Recd: Dec 14 Time
Recd: 314 pm Recd by: fh

Recd from Berlin via Nauen Dec 14-16

To International News 83 Duane Street NYK

596 parcels 8 December

INTERNATIONAL NEWS.

others ahead JCL

Sent No: 96 NY Date Sent: Dec 14 Time Sent: 482 pm Sent by: FO
Recd by: PE

Atlantic Communication Co.

Sayville Serial No. 1909

Character: TS Recd No. 1772 Check: 11 paid Date Recd: Dec. 14 Time
Recd: 313 pm Recd by: fh

Recd from Berlin via Nauen Dec. 14-16

To: International News 83 Duane Street NYK

Sent 1016 parcels

INTERNATIONAL NEWS.

others ahead JCL

Sent No. 95 NY Date Sent: Dec 14 Time Sent: 490 pm Sent by: FO
Recd by: PE

Atlantic Communication Co. 19310

Serial No. 2023

Recd No: 84NY Check: 35 Time Recd: 628 pm Recd by: X

From: Ca NewYork 15 Nov 15

to Werner Salomonstrasse 16 Leipzig

Hundred fifth daheimkalender fifteen sonntagszeitung hundred gartenlau be
wochenheft twohundredfifty wahre jakob twentyfive simplicissimus sixteen
following twohundred buch fuer alle twentyone to twentyeight ten wiener
Illustrierte current fliegende blaetter zweites semester

INTERNATIONAL NEWS.

POSTAL

Sent No: 2023 Time Sent: 436A Date Sent: Nov 16 1915 Sent by: Auto
Confirmed date Nov 16 1915

Atlantic Communication Co. 19759

Sayville, L. I. Serial No. 2439

Recd. No. 2400 Check: 13 Date Recd: Nov. 17 Time Recd: 8 04 pm. Recd
by: fh

Recd from Berlin via Nauen Nov. 17, 15

To: International News, 83 Duane Street, Newyork

Sent 418 and 1449 parchs.

INTERNATIONAL NEWS.

Held by censor.

Atlantic Communication Co. 19758

Sayville Serial No. 2438

Character: TS Recd. No. 2299 Check: 12 paid Date Recd: Nov. 17 Time
Recd: 303pm Recd by: fhvj

Recd from Berlin via Nauen Nov 17-15

To International News 83 Duane Street NYK

1136 parcels 10 November

INTERNATIONAL NEWS

others ahead JCL

Sent No. 84 NY Date Send: Nov 17 Time Sent: 317 pm Sent by: F recd
by: XW

1736 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co.

Serial No. 395

Recd No. 248 Check: 11 Time Recd: 358p Recd By: fh

Recd from Berlin via POZ Date: /12/2/15

To International News 83 Duane Street Newyork

Sent 1037 parchs

News Co.

Held by Censor

Atlantic Communication Co.

Serial No. 2699

Recd No. 50NY Check: 18 Time recd 508pm Recd by: X

From: Ca Newyork 28 Dec 28

To: Werner Salomonstrasse 16 Leipzig

Sechzig land meer heft 17 bis 26 nur 120 hausfrau 8100 woche

INTERNATIONAL NEWS
POSTAL

Time Sent: 225p Date Sent: Dec. 24 1915 Sent by: Auto Confirmed date
Dec. 24, 1915

Atlantic Communication Co.

Sayville L I 13101 Serial No. 1967

Character: TS Check: 54 Time Recd 9am Recd by letter Oct 22-15

From New York

to Werner Salomonstrasse 16 Leipzig

Hundred woche number twenty to twentysix thirty thirtyone two hundred
number twentyseven to twentynine hundred Velhagens kriegskarten italien
orient twohundred russland flemmings kriegskarte number nine muecke ayesha
strantz russen fifty krauss drei kriegskarten threehundred hedln ein volk four
hundred paynes kalender hundred eulitz baltische laender twohundred eulitz
balkan reimers balkankarte

INTERNATIONAL NEWS

Time Sent: 316a Date Sent: Oct 24 1915 Sent by: OJ Confirmed date
Oct 24-1915

U. S. Naval Radio Service

Received at Radio Station Tuckerton NJ by WU S R S No. 5092 Feb 19
1915

Prefix Radio Destination Leipzig Origin New York No. Opr. 27 Sign: ii
Check: 17 Date Filed 19-15

To Werner 16 Salomonstrasse Leipzig

100 Bongkrieg one 500 following continuation 200 Wochenschau 200 Wiener
Illustrierte

INTERNATIONAL NEWS.

1029 A

Approved

Forwarded to Leipzig via Ellvess By RDO

G. JOERNS Censor

Prefix Radio No. 493 Opr, Sending: C Check: 17 Date & Hour Sent:
Feb 20-15 551P Feb 20-1915

U. S. Naval Radio Service S R S No 3313

Tuckerton NJ By W 650pm Jan 19, 1915.

Prefix Radio Destination Leipzig Origin Newyork No. 37 Opr. Sign.

FO Check: 28 Date filed 19th

To Werner Salomonstrasse 16 Leipzig.

Renew current quarter journals 2095 to 2100 2970 also current quarter as
1913 numbers 4049 to 4077.

INTERNATIONAL NEWS.

Approved

L. TOWNSEND, JR. Censor.

Forwarded to Leipzig via Ellvess By Radio

Prefix Radio No. 36 Opr. Sending: W Check: 23 Date & Hour Sent
Jan 20-1915 925p Acknowledged Jan 20 1915

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1737

U. S. Naval Radio Service S R S No. 4833

Received at Tuckerton Via W 2/16/15 11:50 am

Prefix Radio Destination Leipzig Origin: Newyork No. 31 Opr. Sign: FO

Check: 13 Date filed 15th

To Werner Salomonstrasse 16 Leipzig

50 breitner kriegsbilder bound 100 kriegsalbum woche

INTERNATIONAL NEWS.

Approved

G. JOERNS *Censor*

Forwarded to Leipzig via Ellvese By Radio

Prefix Radio No. 289 Opr. Sending: ST Check: 13 Date & Hour Sent:

Feb 17 1915 215a Acknowledged Feb 17 1915

U. S. Naval Radio Service S R S No. 4659

Tuckerton By WU 1043a 2/14/15

Prefix Radio Destination: Leipzig Origin: Newyork No. 11 Opr. Sign:

FO Check: 25 Date Filed 13

To Werner Salomonstrasse 16 Leipzig

25 leipziger illustrierte 125 landmeer folio one following 100 universum one following 100 daheimkrieg four following only 330 baser

INTERNATIONAL NEWS.

Approved

G. JOERNS *Censor*

Forwarded to Leipzig via Ellvese By Rao

Prefix Radio No. 167 Opr. Sending: C Check: 25 Date & Hour Sent:

Feb 15 1915 110a Acknowledged Feb 15 1915

U. S. Naval Radio Service S R S No. 2823

Received at Tuckerton By WU 955a 1/13/15

Prefix Radio Destination: Leipzig Origin: New York No: 2 Opr. Sign: H

Check: 10 Date Filed: 12

To Werner Salmonstrasse 16 Leipzig

Cancel orders 9390 9417

INTERNATIONAL NEWS

Approved

L. TOWNSEND JR., *Censor*.

Forwarded to Leipzig via Ellvese By Rdo

No. 632 Opr. Sending: N Check: 10 Date and Hour Sent: Jan 13 1915

557P Jan 14 1915 1242a Jan 14 1915 acknowledged

U. S. Naval Radio Service S R S No. 3018

Received at Tuckerton Via W 8:00 pm 1/14/15

Prefix Radio Destination: Leipzig Origin: New York No: 61 Opr. Sign:

FO Check: 30 Date Filed 14th Jan

To Werner Salomonstrasse 16 Leipzig

2500 unionkrieg one 300 two to sixteen 500 weberkrieg one 100 following only 3500 Jakob cancel 0342 and similar publications order no more novitaeten.

INTERNATIONAL NEWS.

Approved

L. TOWNSEND JR., *Censor*.

Forwarded to Leipzig via Ellvese by Radio

No. 778 Opr. Sending: W Check: 30 Date & Hour Sent: Jan 16 1915

446PM Acknowledged Jan 16 1915

1738 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

U. S. Naval Radio Service S R S No. 544

Received at Tuckerton Via W November 21, 1914.

Prefix Radio Destination: Leipzig Origin: No.: New York Date Filed 21st
To Werner Solomon Strasse 16 Leipzig

Tausend fuer alle welt eins 600 fortsetzung continuation 500 brummer 370
Leipziger illustrierte 75 Hamburger woche.

INTERNATIONAL
83 Duane Strasse

Approved

C. B. PLATT Censor

Confirmed

Forwarded to Leipzig via Ellvese By Radio

No. 477 Opr. Sending: ST Check: 25 Date & Hour Sent: 11-21-14 1040
PM. 11-22-14 117a

Western Union Telegram

Receiver's No. #8 MH-H Time Filed 11:50 AM Check 25 S-NewYork
11-21-14

Werner Solomon Strasse 16 Leipzig

Tausend fuer alle welt eins 600 fortsetzung continuation 500 brummer 370
Leipziger illustrierte 75 Hamburger soche

INTERNATIONAL
83 Duane Street

U. S. Naval Radio Service

Received at Tuckerton Via W November 21, 1914. S R S No. 547

Prefix Radio Destination: Leipzig Origin: New York Date Filed 21st
To Werner Salomon Strasse 16 Leipzig

Continuation 100 interessante blatt answer wireless why shipment October
24th delayed where are reichels steinbreners kalenders.

INTERNATIONAL 83 Duane Street

Approved

C. B. PLATT Censor

Forwarded to Leipzig via Ellvese By Radio

No. Opr. 480 Sending: ST Check: 25 Date & Hour Sent: 11-21-14
11-22-14 11 PM 124a Confirmed

Western Union telegram

Receiver's No. 12-MH/H Time Filed 1:05 pm Check 25

S-NEW YORK 11/21/14

WERNER Salmon Strasse 16 Leipzig

Continuation 100 interessante blatt answer wireless why shipment October
24th delayed where are reichels steinbreners kalenders

INTERNATIONAL
83 Duane Street.

U. S. Naval Radio Service S R S No. 2751

Tuckerton By WU 640 p 1/11/15

Prefix Radio Destination: Leipzig Origin: New York No. 41 Opr. Sign: 1
Check: 29 Date Filed: 11th

To Werner Salomonstrasse 16 Leipzig

500 unionkrieg one and following continuation 1500 order only important
novitaeten and small quantities only 50 levykeyeg 30 verlustliste return
privilege order 9556

INTERNATIONAL NEWS
F. TOWNSEND Jr Censor

Approved

Forwarded to Leipzig via Ellvese By Radio

No. Opr. 575 Sending: N Check: 29 Date and Hour Sent: Jan 11 1915
747 PM Ack. Jan 11 1915

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1739

U. S. Naval Radio Service S R S No. 3144

Received at Tuckerton N J By W Station Rec. Opr. 407 pm Jan 16 1915

Prefix Radio Destination: Leipzig Origin: New York No: 72 Opr. F

Sign: O Check: 33 Date Filed: 16th

To **WERNER Salomonstrasse 16 Leipzig.**

25 Leipziger illustrierte 1000 ullsteinkrieg one gratis 100 following cancel
10450 only 1192 jugend 3200 jakob 700 flugblaetter 1900 fliegende 800 lustige
370 Berliner illustrierte 1200 simplicissimus.

INTERNATIONAL NEWS.

G. JOERUS *Censor*

Approved

Forwarded to Leipzig via Ellvese By Radio

No: Opr. 890 Sending: ST Check: 33 Date & Hour Sent: Jan 17 1915
955 PM Acknowledged Jan 17 1915

Atlantic Communication Co.

Station: Sayville L I 3748 Serial No. 985

Character: TS Recd No: 406 Check: 10colce Date Recd: Aug 22 Time

Recd: 927 am Recd by: oj fh

Recd from Leipzig via POZ Aug 22

To: INTERNATIONAL NEWS 83 Duane Street New York

Wants means

INTERNATIONAL NEWS

Others ahead CCW

Sent No. 10 NY Date Sent: Aug 22 Time Sent: 927 AM Sent By: fo
Recd by: mo

Commercial traffic

U. S. Naval Radio Service S. R. S. No.

Received: Tuckerton N. J. 3/29/16

Prefix Radio Office of Origin: Berlin No. 2176 Operator Send. HN Recd.

LE Check: 11 Filing Date: Time 1027am

Received from Ellvese, Germany, "Oui" (call letters), via Direct

To INTERNATIONAL NEWS 83 Duane Street Newyork

Sent 1079 parcels

INTERNATIONAL NEWS

E. A. LICHTENSTEIN

Forwarded via (wire) Western Union, Atlantic City, N. J.

Office of Origin: Berlin No: 32 Operator Send. FN Recg. Z. Check. 11
Filing Date 29 Time 237pm

Commercial traffic

U. S. Naval Radio Service S. R. S. No.

Received: Tuckerton, N. J. 3/12/16

Prefix Radio Office of Origin: Berlin No: 979 Operator Send. HD Recg. W.

Check. 11 Filing Date Time 1130AM

Received from Ellvese, Germany "Oui" (call letters) Via Direct

To INTERNATIONAL NEWS 83 Duane Street Newyork

Sent 1157 parcels.

INTERNATIONAL NEWS

J A NELSON

Forwarded via wire Western Union, Atlantic City, N. J.

Office of Origin Berlin No. 39 Operator Send. MA Recg. VD Check: 11
Filing Date 12 Time 835PM

U. S. Naval Radio Service S R S No. 7020

Recived at Tuckerton N. J. By FO Mar 23 1915

Prefix Radio Destination: Leipzig Origin: New York No: 24 Check: 18

Date Filed 16

Relayed via W. U.

To **WERNER Salomonstrasse 16 Leipzig**

Do not ship by Bremen America steamer answer our telegram March eleventh

INTERNATIONAL NEWS. 111P.

Approved

J. A. NELSON *Censor*

Forwarded via Ellvese by Radio

No. 975 Opr. Sending: N Check: 18 Date & Hour Sent: Mar 25 1915
247am Acknowledged Mar 25 1915

1740 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

U. S. Naval Radio Service S R S No. 6619

Received at Tuckerton N. J. By H Mar 15 1915

Prefix Radio Destination Leipzig Origin: New York No. 53 Check: 22

Date filed 11

Relayed via W. U.

To WERNER 16 Salomonstrasse Leipzig

Do Not accept larger continuations answer if Kreuzbank possible and safe or which publishers take risk

INTERNATIONAL NEWS 207P

J. A. NELSON Censor

Approved

Forwarded via Ellvese by Rdo.

No. 636 Opr. Sending: W ST XQ Check: 22 Date & Hour Sent: Mar 18 1240am Mar 18 1915 1159p Mar 19 1915 937p Acknowledged Mar 19 1915

U. S. Naval Radio Service S R S No. 6171

Received at Tuckerton N. J. By H Mar 7 1915

Prefix Radio Destination: Leipzig Origin: New York No: 86 Check: 25

Date Filed: Feb 26

Relayed via W. U.

To WERNER Salomonstrasse 11 Leipzig

500 Unionkryeg three to twenty 100 daheimkrieg one following only 6500 woche 1500 Tageblatt 3000 Gartenlaube pay Scherl sixthousand

INTERNATIONAL NEWS 1246 P

H. H. NORTON Censor

Aproved

Forwarded via Ellvese By Radio

No. 300 Opr. Sending: N TG Check: 25 Date & Hour Sent: Mar 9 1915 737 PM Mar 10 1915 1023 P Acknowledged Mar 10 1915

ATLANTIC COMMUNICATION Co. Serial No. 460

Recd No. 414. Check: 1110/1103 press coll Time Recd: 3/16 9.00 am Recd by: NS Date: 3/16/17.

To International News Service, Newyork

Section five on frederick captain handel and norwegian ship captain was ordered stripped second time because intoxicated inspector found with him his cabin handel and insisted inspector came asked for match refused offtake clothes second time but was stripped again left standing with quote we ha undress you but dress yourself or stay naked end quote olaf johnsen noregian merchant arrested suspicion prying inspectors liquor commander apoligized to both next day stop of 25 books mine censor kept vonmacks volume official documents relating outbreak war commander informing me wassent positive but believe proscribed which interesting view suppression by macmillan-publlishers stop in response vigorous protest that books not contraband violation american rights take from american adilhall promised would get back and succeeded stop of large bundle newspapers only socalled british friendly newyork papers returned in place hearst papers was slip quote 24 papers blacklisted enquote wrote commander quote against seizure confiscation 24 copies newyork america other hearst papers my cabin neutral steamer frederick am compelled protest you informed me they proscribed or blacklisted canada britian not questioning right governments canada britian say what newspapers may be read british people or enter those countries do question right british governments dictate americans what newspapers read or carry travelling neutral steamers am not taking these newspapers into canada britian content my right read carry with me on neutral steamer not bound for canda britian any american newspapers not forbidden over government stop that british navy be used blockade american newspaper strikes me almost humorous end quote commander sent for me declared didnt like my reference to navy quote am not responsible navy nothing do with its censor endquote commander admitted didnt see by what right newspapers could be taken from me since not giving canada britian consulted viceconsul doolittle enroute tiflis gave personal opinion illegally taken from me stop adair had said would try to get back but unsuccessful stop announcement germans relieved all money except hundred dollars first class fifty second twentyf

third class passengers this being british orders as interpretation quote reasonable amount endquote mentioned in safeconduct brought real pathos to Germans stop announcement came dinnertime spoiled appetite many stop new task most repugnant to commander who didn't like role believing passengers money stop tauscher suggested taking note numbers burning all above amount allowed stop two three said have done that but amount not large stop days adair hall apparently endeavoring goet modification order germans gained courage elung though perhaps not enforced then came disillusionment but much germans money mysteriously disappeared some had quote lost at poker end quote commander told me had given orders be generous liberal with germans stop various amounts taken from forty dollars from servants to twenty-five thousand from countess natuschka detroit girl stop servant girl consul metzger cincinnati relieved several hundred dollars life savings became almost hysterical stop many gruber elderly hungary budapest not member bernstorffs party became ill loss 300 her small possessions appeared bernstorff ambassador offered protest for her also but suggested present case commander more likely success came me I acted as interpreter commander said had asked in money consul metzgers servant could be returned would also try get mary grubers back stop kept word both cases stop mrs katherine kraus american colorado springs wife german civil official brussels relieved by customs small gold chataline watch and opera glasses when asked for eight hundred dollars carried told adair hall quote you will never get it you know american governmena redeems notes if merely produce offtorn numbers end quote adair hall admired spunk american girl seemed be relieved didnt have take it remarking quote you get it back end quote tauscher among those quote lost at poker end quote only sixty dollars taken him stop after all fuss indignation denunciation dejection despair much protesting all money returned germans except matuschka doctor waetzoldt tauscher stop difficult understand what purpose all was stop correspondents made successful fight for return gold taken from them in counting which much blundering stop eight-hundred seventy taken from one was turned into eighteen hundred seventy dollars error made counting second time subsequently found be thirty short receipt given which made good by purse upmade by officers and immediately returned by me in order young paymaster responsible should be deducted months wages stop mrs jacob strader american says she holds claim against british government form receipt for 225 dollars money however never taken from her stop letter from american consul halifax signed amerikan passenger requesting come aboard for consultation refused delivery by order captain sommerville cruiser devonshire commander adair hall superior stop telegram bernstorff swiss consul montreal inform lansing through ritter still held halifax also refused stop last day when telegrams transmitted dispatch I wrote reluctantly approved by adair hall declared quote its true end quote returned by censor ashore with mention personal search countess bernstorff princess hatzfeld adair hall told me quote but they are impartial facts arnt they endquote quote yes must admit that endquote I refused send dispatch as censored stop climas everything came night twentyseventh great joy passengers frederick dropped pilot was making for sea when suddenly much signalling from warships forts searchlights flashing consternation frederick turned started back halifax stop great excitement immediately rumors orders received take off certain people countess bernstorff much agitated pleaded if any newspaperman could ascertain what all meant stop pilot uppicked few minutes later launch navy officers made fast several germans certain they be offtaken stop heavy sack pulled in from launch stop devised crowning final achievement halifax decidedly was frederich leaving port with 900 souls without wireless apparatus stop on day sailing sack containing apparatus placed second cabin diningroom wireless operator said was ordered not touch till outside which went look for disappeared stop at last british bluejackets left frederick one them picked up sack took aboard devonshire when discovery made containing frederick wireless there much signalling on cruiser fast launch immediately put after frederich seven miles out stop bernstorff referred to in halifax paper as quote that disagreeable person endquote much bantering ambassador when same paper carried display advertisement quote reverent roe preach sunday night subject bernstorff in halifax and what bearing has this on our housing problem endquote stop bernstorff advent seems have started realestate boom stop all in war historic halifax search frederick was mildly speaking badly messed up redeemed however by gallantly courtesy naval officers who lived up to the highest tradition british navy that respect stop

1742 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

through american I as one passengers received roughest dealing noless concert
verdict for german passengers from bernstorff down quote they were gentlemen
endquote immigration officers inspecting passports on the last worked quickly
politely.

WIEGAND

Sent No. 5: Date Sent 3/16: Time sent 1140a Sent by X: Recd by PE

U. S. Naval Radio Service S R S No. 2600
Received at Tuckerton N. J. By W. Station
Rec. Opr. 718pm Jan 8 1915
Prefix: Radio Destination: Leipzig Origin: Newyork No. 55 Opr. Sign. FO
Check: 14 Date filed 8th
To Werner Salomonstrasse 16 Leipzig
300 buchalle three and following only 300 echo.

INTERNATIONAL NEWS.

Approved L. Townsend Jr. Censor
Forwarded to Leipzig via Ellvese by Radio
No. 435 Opr. Sending: W Check: 14 Date & Hour Sent: Jan 9 1915
1213am Jan 9 1915 Ack.

U. S. Naval Radio Service S R S No. 2676
Received at Tuckerton N. J. By W. 1016 am Jan 10 1915
Prefix Radio Destination: Leipzig Origin: Newyork No. 2 Opr. Sign: FO
Check: 11 Date Filed 9th
To Werner Solomonstrasse 16 Leipzig
Reduce journal 4231 only 75

INTERNATIONAL NEWS

Approved L. Townsend, Jr. Censor
Forwarded to Leipzig via Ellvese By Radio
No. 500 Opr. Sending: W Check: 11 Date & Hour Sent: Jan 10 1915
419PM Jan 10-1915 Ack.

Atlantic Communication Co. 13695 Serial No. 2857
Recd No. 2846 Check: 13 Time Recd: 158p Recd by: fh
Recd from Berlin via POZ 10/25
To: International News 83 Duane Str Newyork
Paketverkehr elgestellt versand wie frueher

INTERNATIONAL NEWS

Sent: No. b59ny Date Sent: 10/25 Time Sent: 445p Sent by: f Recd
by fo

Atlantic Communication Co. Serial No. 2856
Station: Sayville L I 13694
Character: TS Recd No: 2845 Check: 18 colcc Date Recd: Oct 25 Time
Recd: 157 PM Recd by: jo fh
Recd from Berlin via POZ Date: Oct 25
To. International News 83 Duane Street Newyork
Werden zuletzt telegraphisch bestellte gartenlaubde und kalender unter
kruezband gewuenscht

INTERNATIONAL NEWS.

Others ahead CRC
Sent No: 61 NY Date Sent: Oct 25 Time Sent: 455 PM Sent by: f Recd
by: fo

Atlantic Communication Co. 6685 Serial No. 715
Character: TS Check: 35 Time Recd: 8pm Recd by: letter Date 9/20
From New York
To Werner Salomonstrasse 16 Leipzig
Twenty bazar uebermeer velhagen thirty hausfrau fourty wissen bloom
verlorene fifty universon fourteen to eighteen hundred gartenlaube doppelaube
wache kriegswoche scherlbilder hindenburg Mackensen Wilhelm one mark
twohundred buchalle unionkrieg.

INTERNATIONAL NEWS

CCW Time Sent: 336a Sent by: Auto

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1743

Atlantic Communication Co. 6383 Serial No. 823
Recd No. pr. 720 Check: 13collect Date Recd: sep 17 15 Time Recd: 1027
am Recd by oj jo
Recd from Leipzig via Nauen Date: Sep 17 15
To International News 83 Duane Street New York
Delayed but on next steamer

INTERNATIONAL NEWS.

Sent No. 45NY Date Sent: sep 17 Time Sent: 1137am Sent by: X Recd
by: SS

Atlantic Communication Co. 6345 Serial No. 785
Character: TS Recd No: PR 689 Check: 10 collect Date Recd: Sept. 17
Time Recd: 8:32 am Recd by: OJ JO
Recd from Leipzig via Nauen Date: Sept. 17
To: International News 83 Duane Street, New York
2949 parcels

INTERNATIONAL NEWS

Sent No. 26NY Date Sent: Sept. 17 Time Sent: 10:38 am Sent By: X

Atlantic Communication Co. 6993 Serial No. 940
Recd No. letter Check: 35 Recd by: mail
From New York Date: Sep 22
To: Werner Salomonstrasse 16 Leipzig

Wenn Allgemeine Versicherungs Gesellschaft fuer See Fluss und land Trans-
port Dresden Postpakete gegen Seeverlust Kriegsgefahr und Kapergun zu
ungefahr fuenf Prozent versichert senden Sie alles packetpost oder Kreuzband
Rueckantwort

INTERNATIONAL NEWS

Charge Int News

Sent No. 940 Time Sent: 1242A Date Sent: Sept 23 1915 Sent by: D

Atlantic Communication Co.
Station: Sayville L I 8538 Serial No. 1904
Character: TS Recd No: 843 Check: 16 Colcc Date Recd: Sept 30
Time Recd: 1235 PM Recd by: jo fh
Recd from Leipzig Via POz Date: Sept 20/Oct 1
To: International News 83 Duane Street Newyork
2948 parcels 18 September 1831 parcels 25 September

INTERNATION NEWS.

Held by censor

Sent No. 121 NY Date Sent: Oct 1 Time Sent: 359 PM Sent by: FO
Recd by: XW

Atlantic Communication Co. 8082 Serial No. 1545
Recd No. 254ny WU Check: 23 Time Recd 7p Recd by msgr.
From S New York 23
To Werner Salomonstrasse 16 Leipzig

Parcelpost hundred weltkreig chronik bongkrieg three to twentyone fifty hong
welchchronik steinzeit fivehundred union kreig seven twentyone twentytwo

INTERNATIONAL NEWS

Cancelled 10/4/15 SVS-C MC

Atlantic Communication Co.
Sayville Serial No. 1366
Character: TS Recd No: 1240 Check: 12 paid Date recd jan 13 Time Recd:
822am Recd by JO Recd from Berlin via Nauen Date Jan 13
To: International News 83 Duane Street Newyork
629 parcels 11 January

INTERNATIONAL NEWS

Others ahead CRC

Sent No. 46 NY Date Sent: Jan 13 Time Sent: 1004 am Sent by: FO
Recd by: PE

1744 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co.

Sayville

Serial No. 1496

Character: TS Recd No. Pr 1361 Check: 19 pd Time Recd: 714am Recd by: JO

Recd from S. S. Berlin via Nauen

Date Jan 14

To: International News 83 Duane Street Newyork

Deutsche post befoerdert weiter drucksachen koennen wir versichert wovelter senden

INTERNATIONAL NEWS

Others ahead JCL

Sent No: B47NY Date Sent: Jan 14 Time Sent: 121pm Sent by: Q Recd by: MX

Atlantic Communication Co.

Sayville

Serial No. 2380

Character: TS Recd No. 2260 Check: 24paid Date Recd: Jan 21 Time Recd: 810am Recd by: JO

Recd from S. S. Berlin via Nauen

To: Internatiunal News 83 Duane Street Newyork

Meldung aus holland bei zwei letzten dampfern saemtliche post von bord genommen was sollen wir tun

INTL NEWS

Others ahead CRC

Sent No. 83Ny Date Sent: Jan 21 Time Sent: 1025am Sent By: B Recd by: PE

Atlantic Communication Co.

Sayville 12990

Serial No. 2416

Character: TS Recd No: 2397 Check: 12 col. Date Recd: Oct. 22 Time Recd: 838 am Recd by: Ojjo

Recd from Berlin via Nauen Oct 22

To: International News 83 Duane St Newyork

3692 parcels 19 October

INTERNATIONAL NEWS

Others ahead JCL

Sent No. 2 NY Date Sent: Oct 22 Time Sent: 906 am Sent by: FO Recd by: XW

Atlantic Communication Co. 18840

Serial No. 2319

Recd No. 91NY Check: 11 Time Recd: 812p Recd By: FO

From CA Newyork

Oct. 25, 1915

To: Werner Salmonstrasse 16 Leipzig

Alles Kreuzband senden wie vorher.

INTERNATIONAL NEWS

Time Sent: 433a Date Sent: Oct 28 1915 Sent by: aj Confirmed Date October 28 1915

Atlantic Communication Co.

Sayville 25630

Serial No. 1332

Character: TS Recd No. 1185 Check: 11 paid Date Recd: 12/10/15 Time Recd: 545p Recd by: Fh

Recd from S. S. Berlin via Nauen

12/10/15

To: International News 83 Duane Street Newyork

Sent 1343 Parchs

INTERNATIONAL NEWS

Others ahead CCW

Sent No: B90ny Date Sent: 12/10/15 Time Sent: 644 p Sent by: F Recd by: PE

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1745

Atlantic Communication Co. Serial No. 1551
Character: Recd No. 77NY Check: 32 Time Recd: 504pm Recd by: X
From: Ca Newyork 13 Dec 18/15
To: Werner salomonstrasse 16 Leipzig

Wo inhalt der pakete 447 bis 1088 und rest von 1089 bis 1599 wo schweizer galender und rest von steinbrener und reichel rueckantwort gartenlaub doppel-number

INTERNATIONAL NEWS.

Time Sent: 220a Date Sent: Dec 15 1915 Sent by: A Confirmed Date: Dec 15 1915

Atlantic Communication Co. Serial No. 2471
Recd No. 76NY Check: 59 Time Recd 550 PM Recd by: X
From Ca Newyork 21 Dec 21/15
To: Werner Salomonstrasse 16 Leipzig

Zwanzig frankkrieg hemberger heft 28 und folge hundert daheimchronik heft 2 fuenfzig heft 3 5 11 12 13 20 und folge grosse zeit heft 21 und folge hundert bongkrieg heft 1 bis 20 27 bis 49 unionkrieg heft 15 17 21 28 29 zweihundert heft 2 36 bis 57 im ganzen tausend flottenkalender

**INTERNATIONAL NEWS
Postal**

Sent No: 2471 Time Sent 222A Date Sent: Dec 22 1915 Sent by: Auto
Confirmed Date Dec. 22 1915

Atlantic Communication Co. Serial No. 3074
Sayville
Character; TS Recd. No: 2882 Check: 11 paid Date Recd: 12/23/15 Time
Recd: 345p Recd by: FH
Recd from Berlin via Nauen 12/23/15
To: International News 83 Duane St Newyork
Sent 1211 parcels

INTERNATIONAL NEWS

Others ahead CCW
Sent No. 18ny Date Sent: 12/24/15 Time Sent: 952a Sent bY: X Recd
by PE

Commercial traffic
U. S. Naval Radio Service S R S No. 12933
Received: Tuckerton N J Aug 24 1915
Prefix Radio Office of Origin S NewYork No. 21 Operator Send. J Recg.
DL Check 25 Filing Date 23
To Werner Salomonstrasse 16 Leipzig

Sevenhundred bongkrieg hundred part eleven to sixteen five hundred schneider two hundred brockhaus weltkerleg fifty rosenthal english twenty schaffstein one following

INTERNATIONAL NEWS

1228 pm

Office of Origin New York No. 878 Operator Send W Recg. Check 25 Filing
Date Time Aug 27-1915 423a Aug 27-1915 1034p Aug 29 1915 1.52 a Ac-
knowledgeed Aug 30 1915

Atlantic Communication Co. 5088 Serial No. 76
Recd No. 51NY Check 15 Time Recd 827pm Recd by F0
From CA Newyork Sep 1/15
To: Werner Salomonstrasse 16 Leipzig

Received no parcels on steamer neordam why not answer.

INTERNATIONAL NEWS

Sent No. 76 Time Sent: 253a Date Sent: Sept 10 1915 Sent via Auto

1746 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Commercial traffic
U. S. Naval Radio Service
Radio Station Tuckerton NJ
Berlin 1431 R/UP 10
International News 83 Duane Street NYK
Sendungen eigestellt

S R O No.

Oct 27 1916

/S/ E A Lichtenstein
85 MA/FA 243PM

INTERNATIONAL NEWS

Atlantic Communication Co.
Sayville

Serial No. 954

Character: TS Recd. No: 718 Check: 12 Date Recd: Time Recd: 1007am

Recd by: FH

Recd From S. S. Berlin via Nauen

Date 6/19

To International News 83 Duane Str Nyk.

Verschreibungen his 3812 erhalten

CCW/

INTERNATIONAL NEWS

Sent No. 70NY Date Sent: 6/19 Time Sent: 1219pm; Sent by B Recd by FO

Atlantic Communication Co.
Sayville

Serial No. 794

Character: TS Recd No: 449 Check: 11 paid Date Recd: 3/9/16 Time

Recd: 825a Recd by: JO

Recd from S. S. Berlin via Nauen

3/9

To: International News 83 Duane St Newyork

Sent 1052 parcels

INTERNATIONAL NEWS.

Others ahead JCL

Sent No. 32ny Date Sent: 3/9/16 Time Sent: 945a Sent by: FO Recd by: E

Atlantic Communication Co.
Sayville

Serial No. 1412

Character: TS Recd No. 1081 Check: 14 Date Recd: Mar 15 Time Recd:

946 am Recd by: JO

Recd from S. S. Berlin via Nauen

Mar 15

To: International News 83 Duane St NYK

146 Parcels Kells wuenschen telegraphisch kasse

INTERNATIONAL NEWS.

Held and passed by Censor CRC

Date Sent Mar 23; Time Sent 1022 am; Sent by FO; Recd by FO:

Atlantic Communication Co.
Sayville

Serial No. 3028

Character: TS Recd No: 2880 Check: 12 paid Date Recd: Dec. 23 Time

Recd: 1201 am Recd. by: fh

Recd from Berlin via Nauen

Dec 23

To International News 83 Duane St NyK.

269 parcels 11 December

INTERNATIONAL NEWS.

Others ahead CRC

Sent No. 63 NY Date Sent: Dec 23 Time Sent: 1251 pm Sent by: K Recd By: FO

Atlantic Communication Co.
Sayville NY 2252

Serial No. 332

Character: TS Recd No. PR 729 Check: 11 Coll CC Date Recd: Aug. 9th

Time Recd: 951 Am Recd by FH OJ

Recd from S. S. Berlin via Nauen

Date Aug 9th

To International News 85 Duane St New York

Want Means

INTERNATIONAL NEWS COMPANY.

CCw

Sent No. 388 NY Date: Aug. 9th Time Sent. 1111 a m Sent by: FO
Recd by: WB

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1747

Atlantic Communication Co.

Sayville

Serial No. 3043

Character: TS Recd No: 2881 Check: 15 paid Date Recd: Dec. 23 Time

Recd: 106 pm Recd by: jo

Recd from Berlin via Nauen

Dec 23

To International News 83 Duane St NYK

Alle pakete auruckerhalten neu versandt 2135 kreuzbande

INTERNATIONAL NEWS.

Others ahead CCW

Sent NO. b 25 NY Date Sent: Dec. 23 Time Sent: 315 pm Sent by: SA
Recd by: FO

Atlantic Communication Co.

Sayville

Serial No. 2676

Character: TS Recd No: 2686 Check: 17 Date Recd: Feb 22 Time Recd:

1046 am Recd by: JO

Recd from S. S. Berlin via Nauen

Feb 22

To: International News 83 Duane St NyK

Kisten lagern noch in Rotterdam verschreiburg 3794 fehlt noch.

INTERNATIONAL NEWS.

Others ahead CRC

Sent No. 60 NY Date sent: Feb 22-16 Time Sent: 1109 am Sent by: B
Recd by: PE

Atlantic Communication Co.

Sayville L. I. N. Y.,

Serial No. 1532

Recd No. 1529 Check. 11 Date Recd. Feb 12 Time Recd. 822 am Recd by: JO

Recd from S. S. Berlin via Nauen

Feb 12

To: International News, 83 Duane Street, New York

Erste Zahlung erhalten

INTERNATIONAL NEWS.

Sent No. b30 Date sent. Feb 12-16 Time Sent: 1055 am Sent by: J Recd
by: FO

Serial No. 464

Atlantic Communication Co. 709

Recd No. 78NY Check: 24/20 Time Recd 630 P M Recd by FH.

From CA New York 22/15

July 22

To Werner Salomon strasse 16 Leipzig

Ten thousand each lahrer reichel shipping instructions follow only hundred
sixty echo four hundred universum three hundred stilkrieg

INTERNATIONAL NEWS.

Cancelled.

Hold. Sent No. 464.

Atlantic Communication Co.

Sayville

Serial No. 2549

Character TS Recd No: 2214 Check: 20 paid Date Recd: Dec 20 Time

Recd: 1252 pm Recd by: jo

Recd from Berlin via Nauen

Dec 20/16

To: International News 83 Duane St NyK

Pakete Kommon furueck heutz 150 Neuversendung sofart kalender unterwegs
reichel naechste woche

INTERNATIONAL NEWS.

Others aheadCRC

Sent No. 50 NY Date Sent: Dec 20 Time Sent: 955 am Sent by: X Recd
by: PE

1748 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Atlantic Communication Co.

Sayville

Serial No. 2677

Character: TS Recd No: 2687 Check: 21 Date Recd: Feb 22 Time Recd: 1048 am Recd by: JO

Recd from S. S. Berlin via Nauen

Feb 22

To: International News 83 Duane Street NYK.

Sandten 5 Februar 1631 parcels 13 Februar 1268 parcels 19 Februar 1129 parcels

INTERNATIONAL NEWS.

Others ahead CRC

Sent No. 58 NY Date sent: Feb 22-16 Time sent: 1106 a m Sent by: B Recd by: PE

Commercial Traffic S. R. S. No.

U. S. Naval Radio Service

Radio Station Tuckerton N. J. Feb 21 1917

Berlin 1429 He/Le 20

International News Co 83 Duane Street NY

Office open daily three thousand marks on hand further remittance urgently needed

INTERNATIONAL NEWS

/S. J A Nelson

17 QN/FA 1115AM

Atlantic Communication Co. Serial No. 310

Sayville

Character: TS. Recd. No. 306. Check: 14. Date Recd: 2/3. Time Recd: 11.56 am. Recd. by: JO.

Recd from S. S. Berlin via Nauen Date 2/3

To: International News 83 Duane Street Newyork

Geld anweisen weltersendung durch deutsche post

INTERNATIONAL NEWS

Others ahead CRC

Sent No. Date Sent: Time Sent: Sent by: Recd by: 81 NY 2/3 1243 pm B PE

Atlantic Communication Co. Serial No. 3450

Sayville

Character: Recd No.: Check: Date Recd: Time Recd: Recd by: TS 3327 19 1/29 180pm JO

Recd from S. S. Berlin via Nauen 1/29/16

To International News 83 Duane Street NewYork

Diese woche senden versichert mit Deutscher post naechste woche noch unbestimmt

INTERNATIONAL NEWS

Others ahead and Held by Censor CRC Passed

Sent No. Date Sent: Time Sent: Sent By: Recd by: 58 NY 2/2/16 1258pm B PE

Commercial Traffic

U. S. Naval Radio Service S. R. S. No.

Radio Station Tuckerton, NJ. March 5, 1917

Berlin 260 He&LE 208 (Press Collect) 850AM

Hearst American NY

Despatch hundred seventyfive berlin fourth while hints contents zimmermann letter circulating berlin yesterday only today alleged text published stop publication arousing amazement all circles stop vorwaerts says that having doubted long as doubt possible establishment proof accuracy letter dumbfounding vorwaerts continues the mexican adventure is a piece of that section german foreign politics for which social democrats disavow responsibility paragraph count reventlow in tageszeitung sharply criticises action characterizing it inconceivable especially that german government could have offered texas new mexico arizona on slender basis reventlow says quote those who set hopes on divided

sentiment ustates deeply regret turn events deeming it unwise that in this moment there was invented a german foreign policy which might be described as touching match powder barrel end quote whole subject undoubtedly venti-
lated reichstag chief committee which will listen zimmermann tomorrow para-
graph statement made me by zimmermann and wireless yesterday gave best
possible explanations his action but secretary failed on touch approached japan
or offer of free hand mexico to recover last territory stop to anyone familiar
america the absurdity any effectual aid from mexico the improbability any
response jap together with certainty of absolutely solidifying american opinion
and rendering impossible further efforts those disposed friendly germany so
apparent that action incredible

BAYARD HALE

/S[4] E A Lichtenstein B3 March 5 1917 933AM

Atlantic Communication Co. Serial No. 2144

Station: Sy

Character: TS Recd No. 2129 Check: 4[1]5/414 Press col Date Recd Jan
29th Time recd. 220 PM Recd by: JO

Recd. from S. S. Berlin via Nauen Date. Jan. 29th, 1917

To: New York American.

Despatch seventy Berlin twentyeight today enjoyed opportunity conversing
Doctor Solf imperial colonial secretary stop important as were excellency's
remarks regarding the reasonable colonial aims germany comma these less in-
teresting to Americans than were certain declarations in which secretary
indulged expressive of sympathies imperial german Government with Ireland
paragraph excellency said quote historic senate address president Wilson janu-
ary twentytwo sets forth among other great principles following subquote no
peace can last or ought last which doesnt recognize principle government's
derive their just powers from consent government dash that the inviolable
security of life worship industrial social development should be guaranteed to
all peoples who have lived hitherto under power governments devoted to faith
and purpose hostile their own unsubquote if this noble sentiment applies any-
where it applies to case ireland which during many years been subjugated
under English ideas and desires paragraph I remember well occasion when that
unfortunate patriot Sir Roger Casement who had just come from ustates told
me of fact that british Government widely publishing in Ireland declarations
to effect german victory would influence severe damage Irish people that their
land be devastated homes churches desecrated priests surrendered to mercies
of army invaders bent plunder paragraph These allegations reiterated and re-
enforced interviews prominent public men with dubitable Irish connections hand
so Casement told me comma caused some concern Ireland as to possible effect
German victory stop The misrepresentation of German intentions was so com-
plete and palpable that at behest Imperial Chancellor acting Secretary State
Foreign Affairs made the statement that Imperial Government emphatically
objected as unwarranted the intentions imputed to it and availed itself oppor-
tunity give categorical assurance Germany entertained only best will and good
wishes for welfare Irish people their country their institutions stop Imperial
Government always actuated utmost sympathy oppressed country and its people
for whom wished only national existence national liberty end quote Secretary
State for Colonies continued impressively quote These sentiments still repre-
sent feelings German Government sto Far from regarding Ireland as country
which should be laid open to foreign conquest we look upon it as oppressed land
which Germany most sincerely desires see liberated and endowed Civil social
political religious independence stop No half hearted concessions wrung from
reluctant oppressor because of their foreign embarrassments ought satisfy
natural and manly aspirations Irish peoples but only a complete independence
in happy atmosphere of which Irish genius could bring beautiful Ireland to
state prosperity and well being which is enjoyed before twas brought under
English yoke end quote.

HALE.

Sent No. 65 Time Sent: 433PM Sent By B Recd. by Fo

Atlantic Communication Co. Serial No. 222

Rec. 46-47

Recd No. 206 Check 217 press collect Date Recd: Time Recd: 9 PM Recd by oj Bd

Recd. from S. S. Via. Dpr Date Dec. 4

To Hearsts Amn NY

despatch two hundred twelve berlin second london papers just received here reveal fact thomas curtin self confessed english spy who claims spent ten months germany on american passport representing self as staff worlds work is meeting severe criticism even in england whose stomach apparently turned by renegade americans disreputable methods stop I told by excellent authority his passport which expired october thirteenth refused renewal after investigation washington state department though possibly temporary laissez passer provided for him home paragraph advices received here state american journalists london declined attend session american luncheon club at which curtin scheduled speak and that whole newspaper fraternity frowns upon recognition man who used american passport and connection with walter page to do northcliffes dirty work stop times and daily mail november eighteen contain signed statement curtin explaining that on returning england he placed information he had obtained in hands american ambassador namely his former employer page proprietor worldwork stop statement continues quote furthermore I saw two it that valuable information cabled ustates proving that german govt was expending money on election hughes unquote who cabled this quote information unquote which is ridiculously false questionmark paragraph page has had nearly two months in which to repudiate curtin stop thus far no denial curtins claim represent worlds reached berlin.

HALE

Sent No. B 1 Date Sent Dec. 4 Time Sent 10.00 a Sent by sf Recd by po M I

Sayville 22 Oct. 20, 1916.

New York

Zentralstelle Fuer Ausland Sdienst, 62 Wilhelmstrasse, Berlin. International new service requests early wireless reply concerning proposition submitted by radiogram last Friday.

ALEXANDER FUEHR

Copy FLC

Atlantic Communication Co. Serial No. 1297

Character Recd No. 1283 Check 42 Time Recd. 415p Recd by NS Q

Recd. from S. S. Date: 2/20/17

To: Hearsts American New York

Berlin nineteenth bradford merrill promised remittance for wireless tolls unreceived suggest single remittance about five thousand dollars cover tolls meet possible emergencies stop patriotic wireless statement from Mr Hearsts would be widely printed here might have much influence.

BAYARD HALE M. I.

Sent No. B22 Date Sent 2.20 Time Sent 641p Sent by A Recd by KL

Atlantic Communication Co. Serial No. 181

Character TS Recd. No. 146 Check 121DPR Date Recd: Nov 2-16 Time

Recd: 943am Recd by FH

Recd from S. S. Berlin via: Nauen Date Nov 2

To Hearsts American New York

Despatch hundred thirteen Berlin first stop General staff eight this evening informed me fort Vauz would be voluntarily evacuated midnight stop both this point and Douaumont were important strongholds so long as occupied French therefore had be disposed of for purposes Verdun investment stop this accomplished and both strongholds having been stripped and practically demolished they constituted outlying German position needlessly exposed French artillery stop their occupancy having been considered only stepping stones in Verdun offensive now that latter come halt owing extensive activities Comme front no

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1751

strategic importance attacked possession these points and their voluntary evacuation dictated military prudence stop region south and west Vaux unadapted defense and German battleline Verdun now been realized to conform Strategic developments.

HALE.

DHS
Sent No. 29 Date Sent Nov 2 Time Sent 1042 am Sent by B Recd. By FO

Atlantic Communication Co. Serial No. 375
Sayville

Character TS Recd No. 364 Check 82 Date Recd. Nov 5, 1916 Time Recd.
825AM Recd by OJ

Recd from S. S. Berlin via Nauen Nov. 5, 1916.

To: Hearsts American NY

Despatch hundred twenty three Berlin fourth Wednesday evening wirelessly general staff told me Fortvaux would be voluntarily evacuated midnight stop This done stop nevertheless French continued bombard deserted demolished works artillery heaviest calibre employing vaux till five Thur. evening when suddenly ceased as is believed because of wireless news evacuation intercepted Eiffel tower stop Quite possible French owe New York Amer. thanks information which saved them hours expenditure ammunition stop Little comedy affords moments relief grim tragedy war.

HALE.

LeL
Sent No 43 NY Date Sent. Nov 5, 1916 Time Sent. 125 pm Sent By WX
Recd By FO.

Atlantic Communication Co. Serial No. 1447

Character: TS Recd No. 1431 Check: 90 PRCOL Date Recd. Nov. 21 Time
Recd. 219 P Recd by FH

Recd from S. S. Berlin via Nauen Nov 21 16

To New York American NYK

Despatch hundred sixtyeight berlin twentieth my correspondents in adjacent neutral capitals inform me impression prevailed generally in circles well informed regarding english internal conditions that these far from satisfactory stop food situation growing daily more acute squabbles of cabinet Northcliffe elone daily more shameless stop in activity english navy astonishing results german submarine campaign against ships carrying contraband deeply agitating nation and the cry stop the war is with difficulty being suppressed stop additional disquieting items furnished by outleaking news insurrection India labour unrest australia Newzealand.

HALE

DHS
Sent No. 52 Date Sent nov 21st Time Sent 351 p Sent by X Recd by FO

Commercial Traffic

U. S. Naval Radio Service S. R. S. No.

Radio Station Tuckerton N J Mar 1 1917

Berlin 37 OT/LE 203 Press 271 514PM

Hearsts American NY

Despatch hundred sixtyeight Amsterdam first reports arriving here show England determined severest measures accelerate production foodstuff stop farmwork seven days week stop announcement from pulpits Sunday work absolutely necessary ploughing day night release indispensable farmworkers from military service employment farmwork all civil military prisoners well as soldiers present in England for defence home country stop recruiting women for farmwork encouragement small farmers fullstop Frankfurt first Frankfurter Zeitung hears from Stockholms martial law declared Petersburg by General Habalow city commander who issued warning especially directed workingmen against demonstrations stop for coming reopening Duma Habalow empowered appress all means any riot or resistance against executive power fullstop

1752 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Madrid first portugese Spanish newspapers state Portugals interior situation visibly aggravated since departure Portugese troops France and epecially since announcement German seaarea stop economical situation almost desperate stop account lack transportation facilities entire vintage last year sold already partly France must remain Portugal stop crisis hereby created increased by restriction axport alcohol England consequence British regulations stop gov perfectly helpless meet there events stop cabinet crisis imminent full stop Geneva first petit Parisien announces order prevent lack officers French army commission preparing bill providing immediate appointment fit highschool boys upper classes non commissioned officers after short training

/S[4] HALE

/S[4] E A Lichtenstein B12 AX/FA Mar 1 1917 558 PM M I.

Nov. 4, 1916

294 FH 252 Presse Collect 263 M. I.

Hearsts American Nyk.

Despatch hundred twentytwo Berlin third stop I am permitted tell traic story fate German Uboat fortyone Commanded by Lieutenant Hanssen Stop September Twentyfour Nineteen fifteen this Submarine at work vicinity Scilly Isles hailed steamer flying American flag which stopped and made apparent preparations lower boat sto Submarine approached to three hundred yards suddenly steamer dropped false sides and opened fire two guns numerous rifles all while flying American flag paragraph Badly damaged submarine moved for few moments stop Coming surface again order release crew only lieutenant Crompton firstmate Godau succeeded outgetting boat before sank disappear forever paragraph Spite severe injuries Crompton godau managed reach empty boat drifting nearby steamer observing this returned spot bore down upon boat rammed it stop Leaping sea two survivors kept afloat half hour then uppicked stop They say no medical assistance given but uplocked small cage on deck where kept unattended till following day arrived Falmouth paragraph September twentynine Crompton Godau clothed only shirts and drawers at hospital ashore October tenth sent plymouth November sixth transferred Yorkcastle military prison december thirteenth lieutenant Crompton still precarious condition from wounds sent dyffryn alled stop Physician in charge in view lieutenants condition recommended extradition to Switzerland Acquiesced in by commission of Swiss surgeons stop English staff vetoed proposition and severely wounded officer is held prisoner england under conditions unfavorable recovery stop several times crompton attempted report home through American embassy London but reports never reached paragraph German admiralty believes crompton held close confinement order prevent his damaging testimony.

HALE

103 PM Recd complete at ———
B 1 FO PE 240PM

Atlantic Communication Co. Serial No. 8

Station: Sayville N. Y.

Character TS Recd NO. PR 550POZ Check 53 coll cc dpr Date Recd. Time

Recd. 5;27AM Recd by JO OJ

Recd from S. S. Berlin via Nauen Date: July 1/15

To Hearst American, New York.

Cabling to-day exclusive interview with Excellenz Helfferich words predicts failure English war loan causing stock market smash billions in securities to be wiped out reaction to be felt in America England so pressed for money it stoops to Russian methods Germany raised twice more for war and excellent financially.

SCHWEPPENDICK.

OK FC

couldn't get chance to sent till last period which ended 9AM other press ahead.

Sent NO. Date Sent: July 1/15 Time Sent: 9:48 AM Sent By X MI
Red by

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1753

Atlantic Communication Co. Serial No. 1353

Recd No. 1307 Check 324/323 press collect Time Recd 1202A Recd by OJ

Recd. from S. S. via: Date: Jan 20-17 M. I.

To New York American

despatch fortysix berlin seventeenth german uboats continue make astonishing records cruising radiuses cyomach destroyed stop american newspaper readers who inclined skip lightly over daily bulletins featuring havoc wrought these subsea terrors contraband cargoe little realize enormous loss they inflicting shipping northsea eastern atlantic stop yesterday submarine returned to base after sunk sixteen boats loaded grain coal ironor lumber etcetra this ongoing daily hourly and operations appear outcarried strictly keeping promises made ustates sussex I note tis not be denied apparent increased activities of german uboats past week be taken indication germany determined amply her cruiser warfare and this medium and that commanders submarine displaying new skill secience unonly in moneuvering underwater craft but also marksmanship paragraph illustration this now first—time obtainable stop She—accompanied destroyers yet spite this and high deagerman commander succeeded handing fatal shot which accomplished almost instant annihilation for when submarine again appeared surface crowd smoke only visible remnant massive turret monster which few moments before heedlessly onsteaming paragraph captain persias discussing this future sea warfare quote impression prevails almost universally best answer to high standing rhetorical note our foes to wilson is contained in constantly mounting records our uboats stop not blindly oblivious fact only way meet determination our foes annihilation us demonstration our part yet more powerful will accomplish same goal stop we may have implicit confidence determination our naval commanders upkeep constantly recurring evidence their expertness heroic sacrifices stop commanders like forstmann who up middle august has record hundred ships two hundred sixty thousand tons comma arnauld de la perire with uboat thirtyfive hundred twenty six ships tonnage two hundred seventy thousand and valentier who has hundred twentyeight ships two hundred eighty two thousand tons tell us we are wrong placing future faith our uboats stop these only three in long line promising officers who already given splendid accounting or be relied upon when opportunity comes their way end quote

HALE

Sent No. 4 Date Sent 20/1 Time sent 528A; Sent by O; Recd by Bd.

Atlantic Communication Co. Serial No. 4

Character TS Recd No. 1 Check: 116/115PRCL Date Recd. Feb 1/17 Time

Recd. 855 PM Recd by JO

Recd from S. S. Berlin via Nauen 2/1

To New York American.

Despatch seventyfour berlin 31st however the discussion respecting resumption uboats warfare regarded ustates must be remembered that expression of rightfulness is one imposed on german policy by enemy press stop no one here considers for a moment jeopardizing lives americans unlawfully board enemy vessels stop sold discussion has do with some action world combat and somewhat liberaler interpretation rules stop govt. contemplates nothing could be described as indiscriminant uboat warfare and if more stringent english searules and intended tightening ironring intended starvation german people have created strong demand part germans retaliation this if decided upon atall will be within uboad lines possible stop quote ruthless endquote quote indiscriminate endquote are words unknown german vocabulary.

HALE

L. E. L.

Sent No. A-5 Date Sent: Feby. 1st-17 Time Sent: 1014 AM. Sent by: DL
Recd by: PE. M. I.

Commercial Traffic.

U. S. Naval Radio Service S. R. S. No.

Radio Station Tuckerton NJ Sep 28 1916

Berlin 1134 Br/C 554 Collect DPR 1100AM

Hearsts American New York

Despatch sixtytwo general headquarters September twenty seven stop battle of somme continues unfinished proportions stop from noon Monday until Tuesday

night rage of steel and nitrogen were unintermittent concussions high explosives one continuous tempestlike howl of anser stop in world so beautiful as this canopied over delicious September skies tis impossible bring see apprehension that human beings slaughtering each other rate unbefore paralled earth stop other day twentysix aeroplanes shot down out blue stop today more do... stop these contents on high spectacular extreme but tis in holes and ravines scoured and bruised earth that the thousands victims lay them down ingloriously in dust paragraph whole world has contributed send hither these tragic acres implements and devices death which been manufactured faraway shops during last year stop further more neither now have come last reinforcements expedition just sent England stop under cover of embarkation British Isles between fourteenth eighteenth September English dispatched as I thought attempted cable they were dispatching great reinforcements army to somme the new force has duly reached scene their hopeless task stop from thousands the now prisoners tis learned expedition comprised no less three hundred thousand stop they appeared week ago chiefly in triangle dis closed by the great highways from albert and peronne meeting at bapaume hapisme this in region desperate fighting neighborhood baucouhut l abbaye comma guene court combles and west of bouchauesnes stop along this line german general believe english placed one division twenty thousand men to every kilometer paragraph by way twas less than thousand miles bapaume that other day came across captain von papen not unknown to fame stop hour was evening afternoon was bitter but was not lacking fifteen seconds for exchange just stop quote whom do you blame every thing in general on noro that I and have not in NYK questionmark who brought scourge infantile paralysis questionmark I hope giants doing well but if they meet occasional defeats what conspirators responsible now unquote paragraph net gain offensive this last day supreme exertion been few farms hamlets west highway bapaume peronne stop in no place advance more quarter mile stop price these slight gains only be described is stupefying stop many of divisions outsent in england fortnight ago last unmore as recognizable organization stop in l abbaye their losses especially heavy stop paragraph battle somme now past twelfth week stop careful measurements show total entente gains this period one hundred fifth square kilometers stop conservative estimate losses english three hundred fifty thousand french hundred fifty thousand total half million paragraph their still remains german hands twentynine thousand square kilometers belgian twentyone thousand square kilometers french territory lost fifty thousand stop in three months agonized exertion with loss half million men entente now regained three tenths of one percent lost territory stop simple calculating that at same rate progress will reach german frontier eight four years that is say year two thousand provided willing sacrifice one hundred fifty millions which I believe is rather more than total population france and land including women children paragraph expenditure amazing and impossible comprehension or belief by any one whose ears unbeen paralysed as mine have by days nights continuous roar stop this difficult believe ammunition factories whole world able furnish such quantities explosives and certain they can continue doing much longer.

HAF

DPR Collect \$7.52 /s/E. A. Lichtenstein B1 MA/FA Sep 28 1916 10 AM

Atlantic Communication Co

Rec 48-49 Serial No. 226

Recd No. 204; Check 128 press collect; Time Recd 940PM * Recd by of BD
Recd from S. S. Bln via Nauen Dec 3/16

To HEARST Amn NY

Despatch two hundred ten zuerich second swiss who has been many years resident london makes sensational disclosures local publication concerning treatment belgian refugees england quote pass two year thousand belgian refugees been forced work english ammunition and war factories under conditions equal those colored laborers plantations Ceylon and india stop belgians oncalled menial labor practically starvation wages stop insubordination so severely punished that frequently promptly belgian minister protest but no avail stop belgian colonies scattered throughout england feeling resentment against the govt increasing owing failure latter protect her citizens stop english using

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1755

possible measures conceal plight belgians wards from neutral countries stop
view fact much attention being given german methods tis time world at large
also concern itself condition belgians in england unquote.

HALE.

Sent No. 15 Date Sent Dec 4; Time Sent 1051A Sent by: X Recd by FO

Atlantic Communication Co. Serial No. 16

Recd No. 1686 Check 310Press Col Date Recd. 3/1/17 Time Recd. 105 PM

Recd by DL.

Recd. from S. S. Via: Date:

To HEARSTS AMERICAN, NY.

Despatch hundred sixtyfour berlin twentyeight while without update events
america sufficient information insepded make clear sentiment usstates drifting
towards war stop declaration signed taft parker ectera saturdays turmoil
senate presidents mondy speech about all news received stop today comes
belated statement two american women perished exposure after torpedoing
laconia practically within sight british shore paragraph I gather from opinions
wide circles men all classes positions that little expectation entered avoiding
conflict stop have tramped around berlin fruitless effort obtain from someone
more quoting expression sentiment or new point view which could transmit in
hope assiting avoid last resort am obliged confess find nobody who either
suggests formula hopeful saving situation or even especially concerned with
any further effort conciliate ustates paragraph sentiments given public expres-
sion chancellor yesterday represent absolutely unanimous upholding german
govt. people stop will be no recession from announced program upholding stop
germany feels practicall acquiescence by ustates in british isolation german ports
last two years amply justifies long delayed decision isolate british ports by
only instrument available stop is employment this instrument unhappily results
destruction americans who gamble—with death in adventuring on—ships navi-
gating dangerzone—inface timely—warning comma then can only be replied
some fate would overtaken sporting americans embarking ships bound hamburg
Bremen stop if ustates govt. had practically insisted right send ships german
ports comma germany been brought under no necessity stop shipping from
British ports paragraph furthermore effort president enrolled neutrals in his
antigmn. program and his effort separate germany from ally austria by different
treatment ambassadors governments which joined in neutral—note robbed of
their last arguments those friends peace here who day nigh endeavouring con-
vince govt. correct neutrality ustates attitude paragraph transmits their—sent-
iments solely as reported whose duty inform paper from who receives salary
and people who to certain extend rely truthfulness in news.

HALE.
M. I.

Sent No. 27 Date sent 3/1; Time Sent 340P Sent by X; Recd by PE.

Rec 10-11-12

558 of Bd 535/532 Presse Collect

HEARSTS AMERICAN NY Nov 13 1916

Despatch hundred forty one berlin twelfth I asked secretary foreign affairs
for comment asquiths guildhall speech stop vonjagow proceeded read Sonorons
extracts from british premiers sppech about english love for small nations
comma devotion to torch of liberty comma sacrifices for freedom europe and
so forth stop then secretary uppicked volums bernard shaws play man of
destiny and read me following words which british author puts into mouth
on one his characters stop quote when englishman wants anything he never
tells himself that wants it stop he waits patiently until there comes into his
mind burning conviction that tis his moral religuous duty to conquer those who
have thing he wants stop is never at loss for an effective moral attitude stop
as great champion freedom and national independence he conquers and
annexes half world and calls it colonization stop when wants new market for
his adulterated manchester goods he sends missionary to teach natives gospel
peace stop natives kill missionary he flies to arms defence christianity fights
for it and takes market as heavens reward stop to defend his island he puts

chaplain on board ships nails flag with cross on it to topplant mast and sail to ends earth sinking burning destroying all who dispute empire of seas stop he boasts that a slave is free moment foot touches british soil and he sells children his poor six years old to work under lash in his factories for sixteen hours a day stop theres nothing so bad or so good that youll not find englishmen doing it but youll never find englishmen in the wrong stop he does everything on principle stop he fights you on patriotic principles robs you on business principles he enslaves you on imperial principles bullies you on man's principles stop his watchword is always duty and he never forgets that nation which lets its duty get opposite side its interests is lost unquote paragraph thus far english dramatist paragraph vonjagow continued as paced room w. helmstrasse in mediatation quote now lets see what asquith declares been done british govt deliver greece from international discord stop his pretensions illustrate all shows revelations of british hypocrisy stop with all the ingenuity of british conscience asquith adds that real reason was to prevent greece from falling into german net stop with same british ingenuity of conscience he admitted that he took certain drastic means to accomplish this high moral result colon namely he introduced war into peaceable neutral country by landing entente troops at saloniki he persuaded venizelos for whom he expresses remarkable sympathy comma to inaugurate revolution he persuaded greek troops mutiny against their commanders their govt he took possession of greek barracks greek arsenals greek railroads telegraph he refused legitimate greek govt right communicate in code with own ministers abroad he sequestered greek fleet decreed expulsion foreigners obnoxious interests entente stop and he did all this dash with extremely little result paragraph this what mister asquith describes as subquote liberation of this small nations and achievement independence oppressed balkan states unsubquote paragraph the flame of liberty which mister asquith would light again in hell as is the torch of war and of bloody revolution unquote.

HALE

Recd complete at 1047am 1215 PM

Commercial traffic

U S Naval Radio Service. S. R. S. No.

Radio Station, Tuckerton NJ Aug. 2, 1916.

Berlin 37 BR/C 520 collect /s/E. A. Lichtenstein

HEARSTS AMERICAN *New York*

Berlin thirtieth stop cut off as Berlin is from free communication world report reached this capital of widespread belief existence some sort military crisis stop simple fact is no one all Germany aware of stop since first week great English offensive no real apprehension existed regarding it stop last week developed stupenduous effort colossal scale but results leave Germany unimpaired possession front paragraph exhaustive review military situation personally laid before me by unimpeachable authority forces conclusion that Germany enters third year war with her lines east west firmly intact stop early July manuevres English French on Somme yielded small gain territory but not sufficient even make much as dent German front stop they were so apparently only prelude gigantic mass attacks launched July twenty twenty two twentyfourth which constituted the biggest military action entire war with more than million men engaged all sides stop this three days fighting English French forces former heavy predominating numerically paid appalling lives rushing into German machine gun fire and then beating retreat under withering German artillery fire stop attacking forces shape wedge attempt crush German circle built up with wonderful artillery machine gun position stop doubtful whether Americans really learned true English French losses stop commonly believed here General Haigs fiftytwo divisions all passed through this fire and are now reconstructed stop allies loss three days exceed hundred fifty thousand stop Germans reason defensive fighting artillery machine guns able operate great economy human forces paragraph at Verdun Germans steadily pounding way forward and fall Souville which but matter short time will mean automatic falling whole eastern front Verdun and capitulation stop estimated half entire French army fighting forlorn hope there paragraph German Russian front intact Hindenburgs whole line being impune today it was last November stop this front not worrying any of Germany paragraph fighting Galicia Wollynien going on varying fortunes stop

Russians succeeded embarrassing Austrian army this front but any belief that Russians likely be able turn tables completely and penetrate far beyond Carpathians sheer nonsense stop must not be overlooked that Russians largely only recapturing part own territory held by Austrians stop Russian gains here purely local significances and without any bearing military situation at large paragraph Austrian Italian front unchanged Austrians holding lines firmly and not intending attempt any important offensive stop feeling here and Vienna regards that front void any uneasiness stop outstanding feature military situation today Germany lies circumstance that western front crisis passed without allies having been able force decision their favor after gigantic effort and heaviest casualties war stop ground gained barely sufficient dimensions bury their dead top blow aimed glanced off and quote breaking through unquote attempt now deteriorated in pressure on German front paragraph end second year war finds central powers possession four hundred thirty one thousand square kilometers Alsace and twentyone thousand Bukowina stop end first year war respectively hundred eight thousand to eleven thousand stop central powers end second year war holding two million six hundred fifty thousand prisoners against one million six hundred ninety thousand year ago

HALE 1112 P

B1 JO/W Aug 2 1916 D. P. R. Collect \$6.50 M. I.

Commercial traffic

U. S. Naval Radio Service S. R. S. No.
Radio Station Tuckerton NJ March 19 1917
Berlin 1265 R/G 137 Press Collect 534PM

HEARST'S AMERICAN NYK

Despatch two twentyfive headquarters west front eighteenth west front enemies Germany been allowed occupy strip territory including Bapaume and Peronne stop all declared be accordance German military plans stop by evacuating these positions which could been held German forces shorten defensive line stop military authorities assert evacuation slight slice land accomplished insignificant new line defense long in process preparation infinitely stronger also that price exacted from enemy was well worth far more than surrendered land paragraph yesterdays clear weather remarkable for pictures and dramatic duels in air stop no less than nineteen French English aeroplanes down brought German fliers and three by shots from earth stop against this record headquarters admits Germans lost three aeroplanes stop Baron Richthofen who few days ago I reported having conquered twentyfifth opponent yesterday down brought twentyseventh twentyeighth Lieutenant Baldamus fourteenth and fifteenth

HALE
M. I.

§S E A Lichtenstein
B 14 QN/MY March 19, 1917 653PM

Atlantic Communication Co. Serial No. 939

Character: TS Recd No. 923 Check 102 DPR Date Recd. Nov 15-16 Time

Recd 712 am Recd by JO

Recd From S. S. Berlin via Nauen Date Nov 15

To HEARST'S AMERICAN NYK

Despatch hundred fifty Amsterdam fourteenth private reports reaching here which indicate conflict Irish nationalists English recruiting officers reaching straining point stop recruiting meetings upbroken sinn feiners under caption quote thrown out britons quote efforts organize purely Dirsh regiments bound fall because attempts recruiting invariably intercepted stop Brochure quote the lost war unquote widely circulated sets forth England fully knows cannot out-crash Germany but anxious deplete Irish manhood so as no fear Irish situation after war stop brevier containing extracts casements writing confiscated also publication quote Englands lie unquote Sinn' Fein demonstrations outbreking freely general atmosphere one great uneasiness.

HALE

LEL

Sent No. 6; Date Sent: Nov 15; Time Sent 851am; Sent by B; Recd by FO
M. I.

1758 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Commercial traffic

U. S. Naval Radio Service S. R. S. No.

Radio Station Tuckerton NJ Feb 28, 1917

Berlin 1929 R/L 200 Press Collect \$2.68 720 AM

HEARSTS AMERICAN NYK

Despatch one sixty Berlin twentyseventh sensation created here by publication report Cucai Boasso Italian ambassador Tokio to his government regarding activities Japanese in China stop while wellknown that recent disturbance celestial empire and republic fomented from land rising sun remarkable that official confession this fact indicated by representative European power supposed be in alliance paragraph ambassador says quote Japanese been many years spreading over China invisible net monstrous intrigue espionage sewing seeds disorder results of which shown last few years colon fall of oldest empire world comma two revolutions followed by third now underway comma inclement halted between north south and what threatens be permanent estrangement prompted all treacherous means stop this purpose Japan last decade send gold arms ammunition hired innumerable agents stop Chinese revolutionists in need protection found refuge and secret support in Japan paragraph althou reform President Yuanshika likely prove victim of European strife which prevents Caucasian govts offering relief to cause of progress in China this unfortunate situation doesnt excuse weakness representatives entente powers Tokio who permitting Japan collect monstrous and impossibly impudent price comma unonly cash but freedom its Asiatic ambitions comma for help which niggardly yielding to entente cause end quote.

HALE
M.L.

/s/ J A NELSON B 45 MA/FA Feb 28 1917 1042am

Atlantic Communication Co Serial No. 320

Sayville

Character: TS Recd No. 263 Check: 150 Date Recd: Nov 4 Time Recd: 438pm Recd by: JO

Recd from S. S. Berlin via Nauen Date Nov 4/16

To HEARSTS AMN NYK

Berlin 1st despatch hundred twelve if anything could atone for sufferings this war twould be righting greatest wrong European histroy comma, Reestablishment kingdom Poland stop Histroy records no tragedy pitouser than disemberment nation which during many heroic generations formed Europes bulwark against Asiatic invasion and was its principal centre leaning culture paragraph.

Some of us for two years have dared dream this possibility unparalleled in story of worlds peoples comma, Hilaire Belloc for one your correspondent for another stop The reaction of a nation and that the nation of Yan Kasimir Sobleski comma, of the heroes of Yasnagora Kamenyets Zbaraj, comma the rectification of historys crime dash it springs into the imagination like beautiful vision such as only an epic moment of histroy could vouchsafe paragraph.

I have reason to suggest the hope that this beautiful vision may soon indeed be realized in sober fact.

HALE

LEL.

Sent No. 151 ny Date Sent nov 4 Time Sent 603pm Sent by WX Recd by KL.

Atlantic Communication Co.

Sayville Serial No. 378

Character TS Recd No: 370 Check: 108 Date Recd: Nov. 5-1916 Time recd: 1053 am Recd by: OJ

Recd from S. S. Berlin via Nauen Nov. 5, 1916

To Hearsts American NY

Despatch hundred twenty five Berlin fourth Great historic event shadowed forth my despatches last ten days be consummated tomorrow Sunday what at noon General Von Beseler at Warsaw and General Kuk at Bublin well read proclamations establishing poland as autonomous heriditory monarchy stop proclamations identical terms stop Set forth that German Kaiser Austrian Kaiser apostolic King Hungary confiding fully in ultimate victory their arms and inspired by such valour and with such sacrifices into home destined happy

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1759

future have agreed create individual state with monarchy and constitution stop more exact delimitation frontiers reserved for future stop Polish army be created to oncarry glorious traditions.

BAYARD HALE

Cr. 1115am std 1145am Walt in NY

LEL.

Sent No. 27-31 NY 27-N Date Sent. Nov. 5 1916 Time Sent. 1155 pm Sent by WX Recd by FO

Atlantic Communication Co.

Serial No. 377

Character TS Recd No. 369 Check: 212 DPR Date Recd: Nov 5-16 Time Recd: 1035 am Recd by OJ

Recd from S. S. Berlin via Nauen Nov 5/16

To Hearsts American NY

Despatch hundred fourteen Berlin third there are in Berlin tonight ten men whose names may take high place roll of honour when story century written stop they are Poles till year ago subjects Czar stop have taken lives in hand and come urge conquerors Poland reestablish anew ancient Kingdom whose splendour was glory of four centuries stop these men include seven representatives of chief noble families Poland such as Radzivill comme two representatives Polish intellectuals and one spokesman Jewish element stop last Sunday received by Chancellor next three days spent Vienna returning yesterday German capital paragraph while I have no authority whatever for the prophecy I make it namely that very soon German Austrian Kaisers will unite in historic proclamation reestablishing the occupied territory of Russian Poland as constitutional hereditary monarchy stop that Autonomy of revived nationality will be complete comma although precise delinlation its frontier and designation its dynasty may not be determined until end war stop that general Beseler who while military governor Belgium earned warm commendation from American relief administrators by his practical sagacity will for present exercise chief authority Polonia paragraph rich in romance comma of storied interest almost unparalleled in fascination comma reedification Kingdom Poland would mark one greatest moments life of Europe.

HALE

LEL

Sent No. B 19 Date Sent. Nov 5 Time Sent. 1143am Sent by WX Recd by FO

Atlantic Communication Co.

Serial No. 403

Character: TS Recd No. 392 Check: 48 DPR Date Recd: Nov 6-16 Time Recd: 749am Recd by: FH

Recd from S. S. Berlin via Nauen Nov 6/16

To Hearsts American New York

Despatch hundred twentyeight Warsaw fifth amidst booming of cannon pealing bells acclaim populace enthusiasm gatherings intellectuals and representatives heriditary families comma rehabilitated Kingdom Poland just been proclaimed at high noon stop spectacle presented ancient picturesque capital this history hour one never be forgotten.

BAYARD HALE.

DHS

Sent No. 41 Date Sent. Nov 6 Time Sent. 1118am Sent by: A Recd by: PE

Commercial traffic

U. S. Naval Radio Service

Radio Station Tuckerton NJ. March 9 1917

Berlin 496 BR.LE 290 DPr \$3.87 12 PM

Hearsts American NY

Despatch one eightyseven Berlin eighth eve theor release I visited Americans inbrought Yarrowdale interned prison camp Brandenburg stop three dreary miles from ancient city founded eighth century and patronized by German hyphen German Emperor Otto across melancholy plain frozen canals havellays

snow in furrow fields comma a forlorn desolate landscape to prison camp where comma enjoying such comforts as prevailing conditions permit comma have lived men American passports sharing lot English Russian prisoners camp is brickyard and Americans housed in temporary shelters corrugated iron stop when approached assembled group officers remarked consisted fifty-nine Americans six neutrals paragraph to tell truth American internes are sorry lot wharfrats roustabouts such as one encounters lower Manhattan Brooklyn South Street Waterstreet still human beings and pitiable plight couldnt fall rouse emotion stop across bleak Brandenburg plain swept colder winds winter before which dirty unkept array captured cattlemen seamen shivered as endeavored answer inquisies American correspondents paragraph twas with elation heard announced tomorrow onstarted way Copenhagen American after two months interment prolonged by discovery case spotted fever necessitating quarantine paragraph no distinct complaints treatment made by Americans though much grumbling meagreness food and general discomforts camp stop one could imagine from narratives wretched creatures what life lately been stop if any spice adventure clings idea sailing on ship contraband could be exploded listening story Frank Daily Indianapolis who tearfully recalled good eating Tom Aggerts restaurant Carl former attendant StLukes Hospital Albert Ferolie who sold Americans Brooklyn Bridge stop John Hutchins boss Georgic cattlemen most talkative whole party declared men unaware Georgic armed when hired statement sustained by Clark Dallas Harry Hynes NYK John Glennon Boston stop Hutchins outspoken protest treatment Brandenburg Camp but admitted due necessities hour and declared no bullying by guards.

HALE

/S. E A Lichtenstein
b 17 AX/FA March 9 1917 513PM

Atlantic Communication Co.

Serial No. 843

Recd No. 799 Check 190 Date Recd Feb 11th Time Recd. 1055am Recd by Q

Recd from S. S. Berlin via Nauen Feb 11th

To: Hearsts American New York

Despatch hundredfour berlin ninth ten pm last few days marked some anxiety over reports threat in german citizens german ships america stop pending reliable information refuting story confiscation german ships new york interning crews doubt regarding bernstorffs safe conduct german gov apparently held justified release american residents here today seems determination reached spirit stop unfortunate blunder some subordinate officials wednesday night offcut ambassadors telephone but matter soon rectified with full explanation paragraph results submarine activity last few days while not publically reported indicate swiftness efficiency with which uboats at work yesterday alone fifty thousand tons sunk but must be remembered chief result not in tonnage actually destroyed but tonnage from leaving ports comma thus today practically not single restricted ship leaving from europe for brits stop confidence expressed practically all circles submarine be able justify promises naval leaders stop universal known entente preparing tremendous aggressive west front scheduled early spring but doubt expressed whether eventual stop evident war entered upon last phase stop views slight number unimportant character vessels plying to from america belief widely held here little probability estrange american life loss consequence extended submarine work.

HALE

WJC M. I.

Sent No. 28 Date Sent. 2-11-17 Time Sent. 1257pm Sent by: A Recd by: PE

Atlantic Communication Co.

Serial No. 1306

Recd No. 1275 Check: 113 Date Recd. 2/21/17 Time Recd. 815a Recd by. CF LA

Recd from S. S. Berlin via Nauen 2/21 LA

To: Hearsts American NY

Despatch onethirtyone berlin eighteen am authorized deny strongest possible emphasis that slightest foundation story maliciously circulated america eff.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1761

german govt. offered leas molestation embarrassment american legation brus-
sels especially false is tale germans lowered american flag front legation offices
equally untrue story attache herter anyway harrassed stop facts are whitlock
and secretary ruduck continuing work exactly as heretofore offices open and
every facility precisely as in past stop governor Von besoler exchanged cour-
tesies with whitlock expressing deep appreciation work american legation
officials in interest humanity whitlock extended thanks for message and been
uninterruptedly persuing bevolent endeavors unonly without hinderance but
moveover with particular support and appreciation german officials brussels

HALE.

M. I.

Sent No. 24 Date sent: 2/21 Time sent: 1103A Sent B: X Recd by: FO

Commercial traffic

U. S. Naval Radio Service S. R. S. No.
Radio Station Tuckerton NJ Feb 13 1917
Berlin 912 BR/J 77 DPR \$1.03 545PM
Hearsts American New York

Despatch hundredthirteen Berlin thirteenth newspapers discussing departure
many American correspondents including United Press whole force Associated
Press expressing gratification decision few correspondents remain purpose
maintaining communication United States stop noted with satisfaction benevo-
lent public kitchen long maintained American Chamber Commerce remaining
open paragraph borno thirteenth discretionary interview outgiven Gerard
widely approved stop ambassador expressed satisfaction arrangements his
departure explain off cutting telephone as misunderstanding declared had
freely walked street and no embarrassing demonstrations anywhere

HALE

S/E A Lichtenstein

B 19 N/UD Feb 13 1917 708pm

Atlantic Communication Co.

Serial No. 484

Recd No. 506 Check: 115 Date Recd: Feb 7th Time Recd: 1132am Recd
By: Q

Recd from S. S. Berlin via Nauen Feb 7th

To: American New York

Despatch ninety-nine Berlin sixth correspondent in high place american people
maintain all rules civilized warfare and full faith negotiations washington
government observe principles international law comma german govt as tonight
I learn its sentiments premeditates nothing whatever against personal liberty
usual activities any american citizen holding proper passports momentarily em-
barrassed here stop several ways egress open so far German govt involved and
every honorable assistance freely granted stop no threat confiscation american
bank accounts and exchange proceeding freely stop however practically whole
american colony will onto with ambassador including all correspondents except
of two stop though failure understand wilsons psychology universal thus far no
americans experienced slightest embarassment public places.

HALE.

WJC

M. I.

Sent No. 30 Date Sent. Feb 7-17 Time Sent. 1220 pm Sent by X Recd
By: FO

Commercial Traffic

U. S. Naval Radio Service S. R. S. No.
Radio Station Tuckerton NJ Feb 12 1917 M. I.
Berlin 866 HA/LE&UP 63 Press collect \$.84 623PM
Hearsts American NY

Despatch hundredtwo Berlin eight twelve noon now developes that while
officials polite no possibility any Americans leaving until more known of treat-
ment Germans in American stop Government also delrous knowing decision
U States question reaffirming treaty seventeen ninety-nine with suggested ex-
tentions I wirelessed yesterday stop Also official certainty Bernstorff safe con-
duct stop No reason anxiety personal safety Americans in Germany

HALE

/S/E A Lichtenstein

B 13 N/VD Feb 12 1917 958PM

1762 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA

Atlantic Communication Co.

Serial No. 599

Character: TS Recd No. 566 Check: 217/216 Date Recd: Nov. 9-16 Time

Recd: 1246pm Recd by: OJ

Recd from S. S. Berlin via Nauen Nov 9-16

To: HEARSTS AMERICAN NY

Despatch hundred thirtyfive Berlin eighth press comment Hughes semi official Cologne Gazette quote do not therefore expect administration Hughes any essential improvement relations two nations but hope his personality will contribute eliminate these relations hostile acrimonius elements which Wilsons offending Mannes obstinate Dogmaticism injected into them stop if this new era bring with it yet better things we of course welcome them are not however building any air castles such prospects stop have victoriously oncarried war two years in spite Americans hostile attitude and will prosecute it victorious conclusion notwithstanding this attitude unquote Berliner Tageblatt quote Hughes who is above all Jurist has followed Wilson in emphasizing international rights demands ustates stop in doing so he arrived conclusions from which we can deduct whether he be inclined extend great accommodations from German viewpoint in adjustment still disputed questions than predecessor stop for us Hughes still unwritten page yet we uninclined identify his tendencies those Roosevelt whom he employed active campaign mouthpiece unquote Deutsche Tageszeitung quote politics ustates controlled strong financial group operating behind scenes stop these may concede President certain freedom action regards foreign affairs yet directing latter unalterably prescribed stop their tendency calls for solidarity angloamericanism at any rate so long as war lasts stop for us Germans this important decisive unquote.

HALE

DHS

Sent No. 91 Date Sent: Nov 9 Time Sent: 450pm Sent by: B Recd by: FO

Atlantic Communication Co Serial No. 747

Character: TS Recd No. 730 Check: 141 DPR Date Recd: Nov 11-16 Time

Recd: 1145am Recd by: FH JO

Recd from S. S. Berlin via Nauen Nov 11

To: New York American Newyork

Despatch hundred thirtyeight Berlin tenth Berliner Zeitung ammittag published today following poem by Robert Leibmann quote Hughes question mark man nezlemlich kritisch und es fragt sich ganz berlin wie verhalt er sich politisch ausserdem wie spricht man ihn es spricht in jedem kaffeehaus ihn der stammgast anders aus sicher haelt nur mit der ruh es etwas mehr als Wilson Hughes hoeher als die notenbluffs schaetzt entschlossene tat der hoeffs die entente mit ihrem schmus hat nicht mehr viel glueck bei huhs na und ob es fuehrt ein straffes regiment bestimmt der haffes immerhin der alts fuchs Roosevelt immerhin*der ist ein freund von jux aber als ein feind des luges leiht ihm nicht sein ohr der Hughes alles das ist richtig nicht weilsich juhs der neue spricht wenn man nicht den president poetslich wieder Wilson nennt.

HALE

DHS

Sent No. 62 Date Sent Nov 13 Time Sent 324 pm Sent By: B Recd by: FO

729 FH 104 Press collect Nov 11 1916

HEARSTS AMERICAN NewYork

Despatch hundred thirtyseven Berlin tenth despite false news outsent Reuter announcing election Hughes neither German Government people betrayed into any expressions which regret view latest news announcing probably triumph Wilson stop as I telegraphed wednesday morning announcement Hughes victory received without elation or disappointment stop have now to remark that revised result received interest but without expression particular enthusiasim stop If required give impression German feeling would say some relief unoblises struggle with pronunciation hughes name next four years together with disposition say with hamlet better bear those ills we have than fly to others that we know not of.

HALE

34 Wx FO 1210 P 1120AM

Commercial traffic

U. S. Naval Radio Service S. R. S. No.

Radio station Tuckerton NJ Nov 3 1916

Berlin 90 W/W 447 Press collect \$5.96 800AM

HEARST'S AMERICAN New York

Berlin first despatch hundredeleven Presidents Cincinnati speech reached Europe imperfect disconnected stop Comment is based on sentences without content stop This mostly critical suspicious as following excerpts show stop Nevertheless private disposition is reserve judgment till President makes meaning clearer stop Reventlows Tageszeitung quote Wilson confirms in his speech our conception of role which he Grey and ruling financial groups have assigned UStates stop Referring to great economical strength UStates he urges this be marshalled meet conditions which war has created Europe stop Wilson gives this inference very neat moral turn when he says he be ashamed any American who viewed satisfaction reduction Europes physical powers stop We might state this connection that for more than two years UStates under Wilson done much weaken Europes physical powers stop Enormous deliveries munitions war material to Britain her allies have contributed much lengthen duration war stop Had these untaken place war been ended and weakening Europes been fraction that now is and yet bound be stop Berliner Zeitung am Mittag quote thus Wilson proclaims his quote society of nations unquote from which note be excluded who willing cooperate along these lines stop Leadership this new phase development mankind appears be reserved America stop Neutrality now seems be thing past stop Since Monroe down present time been principle American policy not interfere any international problems not immediately concerning UStates above all avail international treaties or guarantees stop Wilson now indicates important turn American policy stop More than one reason why we view Wilsons ideas skeptically stop Perhaps his personal intention higher than has before been assumed stop Lokal Anzeiger quote superficial inspection Wilsons proposition proposes that even normal times goal he aims achieve cannot be reached stop How can thought such society nations be effected at time when four great world powers constantly proclaiming it their war aim to exclude all central Europe community national stop If Wilson asks himself this question he will have admit that chief enemy his scheme is exactly that nation whose statesman hypocritically preferring his world peace league as incarnation thought calculated redeem mankind stop He will become conscious fact that no greater obstacle in path fulfillment this thought that English war aims and their scheme destruction proclaimed Grey in same speech in which he expects unequally world peace alliance stop If Wilson wishes not be suspected being ally England for whom this world league be but means established for unrestricted world dominion he must first confer with Grey remaking a thorough revision latters war aim stop He should not fear such discussion if he be sincere and if his plan making mankind happy really be prompted idealistic and not materialistic motives unquote

HALE

/S/ E A Lichtenstein

B 10 JO/FA Nov 3 1916 1150am

Commercial traffic.

U. S. Naval Radio Service. S. R. S. N.

Tuckerton Radio Station, Tuckerton, NJ. Feb. 18, 1917.

Berlin. 1106. OT. B. 113. Press collect. 800 am.

HEARST'S AMERICAN, NYK.

Despatch hundred twenty-three Berlin fifteenth Deep interest felt here development relations UStates Austro-Hungary stop Well understood Austrian relations different those Germany because of small tonnage Austrian ships present America but other hand well known that while recent German emigration American been slight Austro-Hungarian emigration great stop Some feeling expressed point Wilson endeavouring separate Germany from her chief ally but utmost confidence both here and Vienna as conveyed me from Austrian capital that if any such effort being exercised twill be fruitless understanding and harmony Germany Austria complete stop Austria fortunes inthrown absolutely Germany present crisis and interest absolutely identical stop All central powers await deep interest question Tarowskys reception White House.

**HALE.
M. I.**

/s/ J. A. NELSON.

B. 1. QN/Y. Feb. 18, 1917, 1153 am.

1764 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Commercial traffic U. S. Naval Radio Service.
Radio Station, Tuckerton, NJ.

S. R. S. No.
March 14, 1917.

Berlin 864. TI/JO. 228/226. DPR. \$3.04. —pm.

HEARST'S AMERICAN, *New York*.

Despatch two hundred three section B. For instance Germany many days believed Lloyd Hamburg ships America practically confiscated crews sent Ellis Island other inventions calculated incite anti-American feeling here transmitted day after day by Reuter Havas under ordinary circumstances many these reports been too ridiculous belief any human thing but in strained state public mind and total absence all denial most extravagant stories all treatment Germans in America and extraordinary declarations fathered upon President and Cabinet inevitably provoked ill feeling aroused suspicion here stop One notable result incoming Bernstorff party will be inform Germany both officials private what Government people UStates really think about paragraph Bernstorff confirmed me truthfulness reported sent Wiegand Odell respecting treatment Halifax others including all distinguished members party their wives also humblest fully absolutely vouched accuracy inter*news reports Halifax twas general sentiment English officers regretted job unworthy their position but obliged outcarry instructions paragraph Mystery detention Frederick English halifax twelve days remains unsolved why was necessary take so long examine steamer which ordinarily passes Kirkwall two days query Did English Government believe presence Bernstorff Germany would dissipate misunderstanding between America Germany query On arrival Slettelner Bahnhof train met Count Montgelas representing foreign office Boyed Dernburg party greetings awaited ambassador from daughter Princess Hoewenstein Kittoe father mother Prince Princess Hatzfeldt children wellknown Doctor Albert relatives Consul General Hossenfelder Professor Bonn end despatch.

HALE

/s/ E. A. LICHTENSTEIN.
B 16 n/FA March 14, 1917, 351 pm.

Commercial Traffic U. S. Naval Radio Service
Radio Station Tuckerton NJ

S. R. S. No.

Feb 9, 1917

Berlin 642 HN/UP 248 DPR \$3.31 900PM
Hearsts American NYK

Despatch hundred section A Berlin seventh four PM passports still undelivered to Gerard and staff because German Government without communication UStates without information fate German official especially comma and private German subjects resident UStates stop unofficial despatches arrived yesterday states Bernstorff given passports but German Government without information whether their official representatives guaranteed safe conduct stop official view is UStates must deliver German officials at point from which they can reach home without difficulty stop this apparently involves safe conduct across France but Government here not unnaturally desires assurance that return all German officials certified before granting safe conduct American ambassador and those accompanying him paragraph Gerard today extremely pessimistic regarding possibilities egress but this generally attributable difficulties situation which ambassador has met manfully but which naturally affect nerves all concerned paragraph Count Montgelas representing foreign office been in conference ambassador regarding maintenance century long treaty UStates Prussia eleventh July seventeen ninety-nine concerning treatment each others citizens and their private property after severance diplomatic relations paragraph in absence official instructions comma telegraphic intercourse having been suspended last week comma ambassador unwilling declare American adherence treaty stop its provisions laid before Gerard with suggestions that in present state affairs most desirable humanity civilization both parties adhere its long established provisions stop Gerard was offered opportunity communicate provisions treaty by wireless but he refused embrace unless allowed add comment his own stop therefore agreed that provisions treaty and supplement be transmitted UStates by neutral legation end section

HALE

/S/ E A LICHTENSTEIN

B 19 AX/VD Feb 9 1917 1132PM

Commercial Traffic U. S. Naval Radio Service

S. R. S. No.

Radio Station Tuckerton NJ

March 14 1917 120PM

Berlin 863 292/290 DPR \$3.89

Hearsts American NYK

Despatch twohundred three Berlin thirteenth section A twas precisely three o'clock when Bernstorff aboard big ferrysteamer Prins Christian updrew dock warnemuende and party hundred fifty feasted eyes on long unfamiliar scenes nativeland stop Ordinary routine warnemuende the most difficult frontier station notably altered for occasion officials and populace uniting to give every travellers heartfelt posible welcome homeland stop Captain von Cannenburg commanding frontier station stepped across gangplank few moments conversation Prince Hatzfeld paid respects Bernstorff then led by heads late embassy Washington party came ashore stop First to greet ambassador and secretaries were representatives Hearst press and first words uttered Bernstorff were thanks to those Americans who declined be stampeded into flight and remained endeavoring maintain some sort communication between two nations temporarily estranged stop Twas both tearful and joyful scene stop Berlin begun on special train party complete exception Minister Hael von Haimhausen and Von Kellenbach and family from Cincinnati consulate who remained Copenhagen detained illness.

While ambassador asked excuse making any statement this time talked frankly as did all members party regarding conditions America and probabilities developments relations two countries gave distinct impression optimistic expectations avoidance formal armed conflict provided both sides maintain common sense and some possibility exchange ideas sentiments maintained.

Advent party with authentic news event opinions prevailing UStates was like fresh breeze inblowing stifled room stop Tis fact which never should be forgotten Germany practically offcut communication America and only vaguest unreliablest conflictingest rumors incoming nobody German able form slightest conception American sentiment American events stop While hopes most despatches few remaining correspondent reach America sooner later all communications eastward delayed many days and evidently stringently censored somewhere stop End section A.

HALE

/S/

E A LICHTENSTEIN

B 15 N/FA March 14 1917 328PM

Atlantic Communication Co

Serial No. 1686

Recd. No. 1651. Checks: 430/429 press collect Date Recd. Time Rec. 430p

Recd By of

Recd from: Berlin via: Nauen Date: Dec 24-16

To New York American

Despatch two sixty seven berlin twentytwo president wilsons note unyet been published germany but its contents has attracted deeply interested attention readers german opinion stop somewhat verbose text perused profound interest and while wilsons literary style excites admiration many quarters comma precise meaning his literary locations not clearly penetrated german mind stop on whole impression is president has a slightly belated proffer his good offices under sense fidelity of supreme moment pointed to by hands of clock which timed chancellors thanksgiving interview and peace offer Tuesday december twelfth paragraph ambassador gerard arrived here last thursday night stop allong with other passengers frederic elghth been detained kirkwall while american christmas mails for continental europe seized by english meanwhile tremendous world events moving on stop arrived berlin to find secretary grew charge daffaires and in had within last few minutes communicated to german foreign office president wilsons response to german offer paragraph text president note still at this hour under close scrutiny members all departments govt stop work of translation into german naturally occupying sometime and not has objects aims and spirit wilsons reply been thoroughly digested stop but I in position report that while presidents views comma thought lacking at many points in expression consciousness full import this historic hour comma especially relation subject freedom of seas comma is at many other points satisfying to german mind stop yesterday the allied central powers europe expected nothing asked nothing Mr. Wilson stop had made their announcement to opposing belligerents directly and without any suggestion mediation stop today the un-

expected message from washn places whole situation in somewhat different light paragraph first in importance in fact Willsons rather verbose note indulges no specific suggestions comma unless several references fate small states be interpreted as pointing belgium stop in view germany these references applicable equal force to case greece and in a modified form to scandinavian countries now so harshly oppressed by entente stop there is evident therefore no disposition resent those messages paragraph tis not too much say consciousness germany been depply impressed presidents statement that general objects belligerents as expressed authoritatively utterances leaders exists no difference of aim and desire, comma so far at least as these been officially expressed stop believe here president impressed by remarkable similarity of views chancellor english prime minister american president as those remarked upon by chancellor thanksgiving interview accorded me stop this exhibition of converging not to say identical political views is believed to have profoundly affected consciousness of neutrals and presidents note believed probably received final inspiration these significant passages.

HALE
M. I.

Sent No. 81 Date Sent: 12/24 Time Sent: 620 PM Sent By: A Recd by: KL

Atlantic Communication Co. Serial No. 36
Recd. No. 11 Check 322/320 Press Coll Date Recd. 3/2 Time Recd. 1055a
Recd. by CF
Recd from Via: Date. 3/2/17
To: Hearsts American New york

Despatch hundred sixty five five berlin twentyeighth in effort contribute some slight illumination American German relations in last hope avoiding conflict. I transmit following gathered from most informed circles berlin; declaration chancellors speech yesterday echoed unanimous voice german people stop humanitarian sentiments expressed president fully appreciated but attitude which he allowed unstates govt assume mobilize neutrality against germany and incite misunderstanding with austria profoundly deprecated stop underlying last problems is question wny America govt which tacitly asquiesced two years closing american ports and offcutting rights american farmers planters merchants deal freely germany a country with which ustates not war how suddenly in paroxism because germany after long delay resolved apply to british isles methods at which america winked when applied germany paragraph particularly us germany been impressed by fact american men women willing throw dice with death in executing attempt make voyage through danger zone premature struggle in which germany now engaged for existence can adequately appreciate disgusting sense frivolity those who adventure on seas present tragic moment paragraph furthermore outpointed that ustates govt oncarried negotiations britain during many months respecting fate american vessels american goods passing across atlantic but when germany undertook obstruct atlantic passage not moments considering not single exchange messages designed arrive modus vivendi attempted stop when germany after onlooking american submission british sea tyranny two years finally undecided decisive measures instant reply came from america dissolving relations without stating reasons for dissolution and made impossible any discussion details which had freely discussed british govt paragraph is reflection upon divergence attitude ustates govt toward britain toward germany that has finally created feeling hopelessness sincere effort central powers maintained friendly understanding america stop no overt act will be committed centrals but program announced February first still be outcarried paragraph I repeat above sentiments are transmitted as those unanimously entertained germany by reporter whose sole business is convey news.

HALE
M. I.

Sent No. 36 Date sent 3/2 Time sent 1203 p Sent by x Recvd by FO

Atlantic Communication Co. Serial No. 879
Recd. No. 873 Check 268 Date recd. 2-12-17 Time recd 757 am Recd by GM
Recd. from Berlin via Nauen Date Feb 12th
To: Hearsts American Newyork

Despatch hundred nine section B I repeat I report this belief and all that follows in no other spirit than desire inform american sentiment prevailing

germany paragraph much having do recent history relations belligerent powers and ustates will remain unchronicled till years after close war then only can judgments be outmeted but scores international rivalles complications figure in wonderful chapter paragraph among elements as yet inadequately unchronicled are devious machations england in denmark motherlands norway greece endeavoring indrag these countries straggle comma reluctance russia only france continue war beyond few months comma extraordinary distress british isles which british censorship concealing from world stop recent conference rome was convened purpose assuring british allies final effort made before midsummer otherwise all realized from engagements stop in full knowledge all these facts central powers sensational successes roumania and steadfast holding all fronts german government made known wilson willingness and struggle interests humanity causian civilization practically on basis status quo ante bellum stop then waited for practical response from whitehouse response tailec come but evidences came that somehow enemy had received encouragement continue struggle on supposition with many evidences ring enemies tightening consequence outside encouragemet germany decides make supreme effort being tragedy swift conclusion stop as interpreted here this decision involved nothing more than extension principles which england been allowed announce and practice last two years stop twas felt if wilsons professions sincere ustates would be in interest swift conclusion dreadful conflict preserve the neutrality which spain switzerland holland denmark norway sweden have found selves able preserve paragraph end section B

M. I. HALE

Sent No A10 Date sent Feb 12th Time sent 1118 AM Sent by A Recd by FO

Maj. HUMES. Captain, I would like to ask you another question in that connection. You have studied these cablegrams. What is the nature of the cablegrams that came from Dr. Hale? Were they what you would call news matter or were they editorial in their nature?

Capt. LESTER. They were editorial, and laudatory of Germans and German officialdom in practically every instance. That was their purpose. There were some few messages of actual happenings. There were innumerable messages belittling the cause of the allies. I suppose there were hundreds of them. Their general character, however, is as I have stated.

Reference was made in Mr. Brisbane's testimony to the cutting off of the International News Service by England. I have some information of the reason that this news service was cut off; but I am expecting a great deal more, and I should like, perhaps, to put it in the record at some later date. Just at the present time it is not available, because it is not in the country.

Senator OVERMAN. Very well.

Capt. LESTER. But I think it proper, in connection with Mr. Brisbane's statement, to note this cable, which passed from Lord Northcliffe to Arthur Brisbane sometime in December, 1916:

LESTER EXHIBIT No. 9.

ARTHUR BRISBANE,
American, New York City:

Suggest you come England; full authority in that event given proper assurances your part believe matter can be satisfactorily adjusted. Best wishes for 1917. Reply.

NORTHCLIFFE,
Broadstairs, Kent, England.

Mr. Brisbane testified that he was requested by Lord Northcliffe to come to England to straighten out the matter of eliminating the Hearst news service.

My recollection is that he said it was in February. This is not to criticize his testimony; but he must have made a mistake in the date, the fact being that the Hearst news service was cut out from England in October, 1916. That service, as I described it, was by cable.

Senator STERLING. What is the inference from that, Captain; that Lord Northcliffe had received some previous communication from Mr. Brisbane in regard to the Hearst news service?

Capt. LESTER. Yes; I think the inference is that after the Hearst news service was eliminated and forbidden to conduct its operations through England negotiations were taken up by Mr. Brisbane or by Mr. Hearst with Lord Northcliffe to get him to intervene to get it back, and that this cable suggests to Mr. Brisbane to come, first, with full authority, and second, with appropriate assurances.

Senator WOLCOTT. You say that the Hearst service was known as the International News Service?

Capt. LESTER. Yes, sir.

In October, when the Hearst news service was barred from Great Britain, Dr. Fuehr——

Senator STERLING. Pardon me for interrupting; let me ask you this question before you proceed: What does the barring of the International News Service from Great Britain imply?

Capt. LESTER. Cutting off the cable service; not permitting them to use the cables for sending news or any information.

Senator STERLING. I see.

Capt. LESTER. That was what actually happened. I think there was quite a little in the papers about it at the time on account of certain attitudes taken by this service.

Senator NELSON. That was afterward restored, was it not? I mean the embargo against the use of that service was afterward lifted, was it not?

Capt. LESTER. I am not informed as to that, Senator; but I have information as to the method by which Dr. Hale's news and telegrams were sent to the Hearst papers, from October down to the time when Dr. Hale left.

Senator NELSON. How was that? That was after the cable service was cut off?

Capt. LESTER. As I have stated, the German Government maintained, through an office in Berlin, a wireless service from Nauen by way of Sayville, and later on by way of Tuckerton, N. J., when Sayville was put under the censorship; and on the 13th of October, 1916, Alexander Fuehr sends a wireless by way of Sayville to the German foreign office, reading as follows:

Boycotted by Britain International News Service desires obtain addition to regular transocean service complete continental news service via Nauen to be furnished by transocean cooperating with special representative international news service on his way there. Service would have to carry less lengthy reports than numerous concise news items. Can such special exclusive wireless service be arranged at current press rates considering that other neutral agencies receive news via London. Recommend favorable consideration after consulting Doctor Wilhelm.

Senator NELSON. Let me understand this. This wireless service that you refer to was controlled and operated by the German Government, was it not?

Capt. LESTER. Yes.

Senator NELSON. And now, when the other source of transmitting news or editorials over here by cable from Dr. Hale was cut off, the Germans furnished them this service?

Capt. LESTER. That is a fact, Senator.

Senator NELSON. That is, he knew where to go. After he was cut off from the other source he applied to the German Government, and got the use of their wires?

Capt. LESTER. Yes, sir.

Senator NELSON. Those are the facts in the case?

Capt. LESTER. That is the fact.

Maj. HUMES. Reference is made to "Doctor Wilhelm." Who is that?

Capt. LESTER. The Dr. Wilhelm mentioned is Dr. William Bayard Hale. In this connection, I might say that they adopted "Wilhelm" in referring to a man by the name of William. They called him "Dr. Wilhelm Hale." And there are cables here in our files sent to "Wilhelm Hearst" from Berlin.

The foreign office on October 21, 1916, sent a wireless from Berlin via Sayville to Dr. Fuehr reading as follows:

Dr. Wilhelm been several days urging arrangement like that proposed your telegram and working understanding already reached. Inform Hearst and suggest giving Wilhelm full authority.

Senator STERLING. Who signed that?

Capt. LESTER. That is the Zentralstelle Auslands Dienst, a central office, and is signed by a man by the name of Baron Mumm, who was in charge. That was the government representative of the Nauen Service in Berlin. The full name is Zentralstelle Auslands Dienst—that is the central bureau for foreign affairs.

Senator STERLING. Was the service via Sayville discontinued, Capt. Lester, or was it simply censored? Was the news censored, merely, that came by way of that station?

Capt. LESTER. There was a discontinuance, Senator; and then there was a censorship. Then, after we got into the war there was a dismantling of the whole place, and Tuckerton also. Those were the receiving stations.

Senator NELSON. But before the war, after our Government took possession of the Sayville office, they turned to Tuckerton, did they not?

Capt. LESTER. Yes.

Senator NELSON. I mean the Germans.

Capt. LESTER. The Germans turned to Tuckerton, and operated Tuckerton up until about, I think, the middle of May, 1917, when it was shut off.

Senator NELSON. Yes.

Senator STERLING. Do you know the immediate occasion for the discontinuance of the Sayville service?

Capt. LESTER. It was apparent from the investigations that had been made by the Department of Justice in 1915 and 1916 that this wireless was being used for all kinds of purposes. There was a determined effort on the part of our Government to find, at that time, the ramifications of the German espionage and propaganda system; and this wireless service was in practically instantaneous communication with Berlin; and they, of course, had to close it up.

Senator NELSON. The fact that our Government took possession of the Sayville office was enough to show that they—these Germans—were not safe in sending messages through an office under the control of the Federal Government.

Capt. LESTER. There is another message touching on this news service, from Dr. Hale to Mr. Hearst, dated October 21, 1916.

Senator NELSON. Read that.

Capt. LESTER (reading):

LESTER EXHIBIT No. 10.

Oct. 21, 1916.

View British news blockade would you consider enlarged internews service connection important agencies here. Have already obtained temporary working understanding, including larger accommodation wireless. Full understanding only waits your authority. Strongly hope success negotiations now underway radically reducing rate. Believe large possibilities open great European news service especially view contracts about expire and new alignments possible.

BAYARD HALE

Senator NELSON. That was sent to Mr. Hearst?

Capt. LESTER. That was sent to Mr. Hearst.

On the same date Hale sent him another telegram, reading:

LESTER EXHIBIT No. 11.

Oct. 21, 1916.

Can perfect arrangements international news service and agencies here if given authority. Believe can obtain valuable connection for you thus making possible greatly expanded international news service. Service would include photographs films. You should come yourself or give authority me and nobody else.

BAYARD HALE

Senator STERLING. What date is that?

Capt. LESTER. That is dated October 21, 1916.

That arrangement was made. There is a wireless in the files here that I can not find at the moment, by which the rate was fixed at 6 cents a word.

In that connection it is interesting to note the method by which the payments were made from this end to Germany. They were transferred by a firm by the name of Shulz & Ruckgaber, bankers, in New York, by wireless to Leipsic, sometimes to Stuttgart. There are lots of messages here of that kind. I will put one or two of them in as illustrative.

The wireless message would read: "Pay to Shulz & Ruckgaber's agent in Stuttgart or Leipsic 10,000 marks; International News Service." Or "Pay 20,000 marks; International New Service"; and that is the only financial transaction that we have any evidence of in connection with the arrangement.

I want to take up for a moment one of the connections that existed between the Albert Bureau and the American-controlled interests.

Senator NELSON. When you say "American," you mean the American newspaper interests?

Capt. LESTER. Yes.

Senator NELSON. That means the Hearst papers?

Capt. LESTER. Yes; the New York American interests.

We have information that a man by the name of Marshall Kelly, who is reported as being in the employ of the Hearst organization, was the confidential go-between that handled matters in conjunction

with the Albert Bureau and the Hearst News Agencies, where a personal connection was necessary.

Mr. Marshall Kelly was sent to Baltimore some time in 1915, in behalf of Dr. Albert and Dr. Dernburg, as our information shows, to negotiate the purchase of the Baltimore Sun for the Germans.

This mission, apparently, came to nothing.

We next find that Marshall Kelly is connected with the Chicago Herald-Examiner in 1917, and in the fall of 1918 he is sent to Milwaukee, Wis., to take charge of the Wisconsin, the paper purchased by Mr. Brisbane.

Senator NELSON. The Evening Wisconsin?

Capt. LESTER. Yes.

There are no other evidences of Mr. Kelly's activities, except——

Senator NELSON. Was this Mr. Kelly an employee at that time of Mr. Hearst's papers?

Capt. LESTER. Yes, sir; he is so reported.

Senator NELSON. And he afterwards turned up as an employee of Mr. Brisbane?

Capt. LESTER. Well, he was employed in the Hearst publication, the Chicago Examiner.

Senator NELSON. You referred to the Milwaukee Wisconsin, which Mr. Brisbane claims he had bought.

Capt. LESTER. Yes; he was in a certain managerial position in the Evening Wisconsin in the fall of this year—1918.

Senator OVERMAN. What paper was that? Who owned that?

Capt. LESTER. Mr. Brisbane owned that.

Senator NELSON. Mr. Brisbane bought two papers there. He bought the Evening Wisconsin and the Free Press, and another one, I think. I am not sure about that.

Capt. LESTER. Yes; there were three of them. Four of them, is it not, Major?

Maj. HUMES. Three.

Senator NELSON. Three; yes. He stated that on the stand when he was testifying here.

Capt. LESTER. In conjunction with the Hearst publications was operated a paper, as I testified this morning, known as the Deutsches Journal, of which Mr. Gustav Schweppendick, who afterwards turned up in Berlin as the manager of the Hearst Bureau, was the managing editor.

Senator NELSON. This Deutsches Journal is one of Hearst's publications, too?

Capt. LESTER. Yes; that was discontinued about the time the United States went into the war with Germany, and it has not since been published.

Another writer for the Deutsches Journal was Albert O. Sander, the man who was convicted of sending spies to England.

Mr. Sander was used by the management of the Deutsches Journal as a member of the German Literary Defense Society and the Friends of Peace. He was connected with all of the pro-German movements in New York, and a further connection was Albert Schoenstadt, who was manager. That is the only information that I have on Mr. Schoenstadt, outside of his connection—that is, as to his position on the Deutsches Journal. Mr. Schoenstadt was a member of the press

committee of the Friends of Peace. That was the society intimately associated with the German-American alliance.

The interesting part about the connecting link is this: Schoenstadt, after the Fuehr Bureau had gotten established, was the man through whom the various information and propaganda was disseminated by the Albert Bureau. He was the man who ran between the *Deutsches Journal* and the Albert Bureau, and in order to facilitate this means of communication there was a private wire between Dr. Albert's office and the office of the *Deutsches Journal*—that is, a private telephone wire.

Schoenstadt was an admitted German propagandist. He was connected, I believe, with the German Literary Defense Society, and assisted in the spreading of information through the German papers particularly.

Senator OVERMAN. This Marshall Kelly that went over to buy the *Sun*, was he sent over there by Albert, did you say?

Capt. LESTER. Marshall Kelly is reported as being the man who was representing the Hearst publications in the bureau; that is, he was the messenger, the man who came to discuss matters.

Senator OVERMAN. With whom?

Capt. LESTER. With the German bureau conducted by Albert and Fuehr.

The Hearst American interests, or some one affiliated with them, conducted a library similar——

Senator NELSON. That is the name of a magazine, is it not, called the *Library*?

Capt. LESTER. No; they conducted a library similar to Viereck's, called the *Deutschland Library*.

Senator STERLING. Who did that?

Capt. LESTER. The Hearst interests. That is according to the information that is in our reports.

Senator NELSON. What was the nature of this library?

Capt. LESTER. It was a bureau of dissemination of literature of various kinds. A great deal of it was brought from Germany. We have here probably 150 cables—or wireless messages rather, showing the ordering of a large number of German publications by the International News Service. Those were shipped to this country and disseminated through this service. I have a list of them here that I will show you in a moment.

But this *Deutschland Library*, or rather Mr. Hearst, personally, undertook, in September of 1916, to publish a book on the "Under-sea Boat *Deutschland*," written by Capt. Paul Koenig. The *Deutschland* had made a trip to this country from Germany and gotten back safely, and so Capt. Koenig, or somebody for him, had written a book in Germany, or they were preparing to write a book, and Dr. Hale takes up with Mr. Hearst the question of buying the rights to the book to be written by Capt. Koenig, to publish it in the United States, and to donate the profits of the *Deutschland* book to the ——; it is a German name which I can not find for the moment, but the proceeds were to be donated by Mr. Hearst to the widows and orphans of the crews of the submarines—the under-sea boats. The proceeds were to be donated to this widows' and orphans' society in Germany.

Senator WOLCOTT. You mean the widows and orphans of the German sailors who were on those ships?

Capt. LESTER. Yes; the widows and orphans of the sailors who were on the submarines.

Senator STERLING. This was a proposition from Dr. Hale to Mr. Hearst?

Capt. LESTER. Yes. Dr. Hale put it up to Mr. Hearst as to, first, the purchase of the Koenig book and the publication of it in the United States, and Mr. Hearst sends a counter proposition that he will buy the rights, publish the book and distribute it, and turn over the proceeds to the society for the widows and orphans of the sailors of the undersea boats. That is not the name of the society, but that is about what it means.

Senator WOLCOTT. Not for the benefit of the widows and orphans of the victims?

Capt. LESTER. No; not for the benefit of the widows and orphans of the victims, but for the widows and orphans of the men that ran the submarines. It is a German society.

The facts in that connection were that such a book was printed and was distributed, but, unfortunately, another New York newspaper, while the manuscript was in transit, cabled the whole story over to a New York newspaper, and it was published serially before the book was published. In other words, they beat the Hearst American out on the Koenig story by getting it by cable, after they had sold it once.

Senator WOLCOTT. Getting a "scoop" on the American? What paper was it?

Capt. LESTER. The New York World. There are quite a good many cables in connection with that.

Senator OVERMAN. The World scooped the American on that?

Capt. LESTER. Yes. The manuscript that was brought over was printed and published in book form and distributed.

Senator NELSON. By Hearst?

Capt. LESTER. Yes; by the Deutschland Library Co.

Senator NELSON. Was not that the boat that was at Baltimore when it got over here?

Capt. LESTER. Yes; the *Deutschland*, commanded by Capt. Paul Koenig.

One word more in connection with Mr. Marshall Kelly and some of the redistribution of this German literature.

There existed in Boston a concern by the name of Ritter & Co., who were handlers of German publications and pro-German literature. They continued after the United States entered into the war, and Mr. Ritter was proceeded against in the Federal courts, although I think the case has not been tried. I do not believe he has been tried. The system was broken up, however.

That was one of a group of members all over the United States who systematically handled this literature. The profit was enormous. In fact, much of it was given free, and the profit, of course, was everything that they could sell it for. There were tons of it—thousands of tons—that we found were brought over. Mr. Marshall Kelly—

Senator OVERMAN. Was he an Irishman?

Capt. LESTER. I would rather imagine so, from his name, Senator, although he says in this letter:

I am a Scotchman, completely assured that Germany has the right in this war

That is written February, 1917. He wrote two or three books, or had them written, and offered them to Ritter & Co., who took them up.

Senator NELSON. And they made use of them?

Capt. LESTER. Yes. The man in charge of the Deutschland Library—which was run, by the way, at 1919 Broadway, New York City—was a Mr. J. L. Perkins. I do not know anything about Perkins, except that he was the man who, apparently, had charge of the library, as the correspondence shows.

Maj. HUMES. Now, will you tell the story of the Golden Book, Captain?

Senator NELSON. Is that the Book of Life?

Maj. HUMES. No, Senator. That was the Golden Book.

Capt. LESTER. This is the Golden Book, as it has always been referred to, and is an interesting piece of German propaganda that was put out by the German Government in this country in 1916.

It purports to be, according to its title, "The Golden Book of the German War Orphans." And the second title page reads as follows:

In order to give to Her Majesty, the German Empress, Augusta Victoria, Queen of Prussia, testimony of the never-dying spirit of love and charity, the noble thinking people of the United States of America inscribe their names in this Golden Book, and give generously to the support of the German war orphans through the New York Local Society of the Aid Society of German Women.

Werner Stenzel, General Agent, United States; Messrs. Carl F. Schurz, Treasurer for the United States; Richard Wackerow, Counsel.

This book was taken by Mr. Wackerow, a German Government official, in this case that is here, from New York to San Francisco, ostensibly to obtain subscriptions for this fund for the German orphans.

Every time that he would get into a community he would solicit money; but that was just a cover up for his real purpose. His real purpose was to get prominent people in the United States on record, by their signatures, to show their allegiance to Germany, and through this as an excuse to visit people to test out, in 1916 and 1917—the latter part of 1916 and the early part of 1917—their loyalty to Germany.

It is perfectly clear that he had a sad story to narrate when he went into a man's place of business—the needs of the orphans of the German soldiers. He had with him this beautiful book, with a picture of the Empress on the outside and something that looks like the American coat of arms on one side and the German on the other; and he tells a sad story, and he gets them to write their names in here.

He got a good many hundreds of them to fall for it. But he carried this book from New York to San Francisco; and the last entry is made in Los Angeles, Cal., on March 7, 1917, where a certain gentleman down there gives \$25.

Senator NELSON. That was about a month or so before we declared war?

Capt. LESTER. Yes, sir. The amounts will run up to \$3,000, \$1,000 frequently, and so on. But the facts in regard to the book are as I have stated them.

The ultimate object was that the book was to be completely filled with subscriptions of loyal Germans; that is, people who were loyal to the German cause, and then sent to Germany and presented to the Empress of Prussia.

Senator OVERMAN. It is about time to adjourn, now. You are not through, Captain?

Capt. LESTER. I have very little more, Senator. I would like, to-morrow, to say a few words on the negro propaganda matter. A great deal of information has been gotten by our Military Intelligence agents on that, and I think it would be interesting to the committee.

Senator OVERMAN. Very well. You may resume your testimony at half past 10 in the morning, and we will finish with you, and after that you can put in whatever you have to fill in with, Maj. Humes.

Maj. HUMES. I do not think there will be any other evidence to-morrow, Senator, except possibly some of this documentary material——

Senator NELSON. Get in your documentary stuff to-morrow.

Maj. HUMES. Yes, Senator, we will try to do that.

Senator OVERMAN. Then I think we will go over until Tuesday.

(The matter in regard to the Golden Book referred to is here printed in the record, as follows:)

LESTER EXHIBIT No. 12.

[First title page.]

THE GOLDEN BOOK OF THE GERMAN WAR ORPHANS.

[Second title page.]

In order to give to Her Majesty, the German Empress, Augusta Victoria, Queen of Prussia, a testimony of the never-dying spirit of love and charity, noble thinking people of the United States of America inscribed their names in this Golden Book and gave generously to the support of German war orphans, thru the New York Local Society of the Aid Society of German Women.

(Signed)	WERNER STENZEL <i>General Agent for the US</i>
(Signed)	MRS. KARL L. SCHURZ <i>Treasurer for the US</i>
(Signed)	RICHARD WAEKEROW <i>Consul</i>

[First signature.]

Let man be noble, helpful and good. August 3, 1916

(Signed) J. BERNSTORFF

[Inscriptions follow.]

To my beloved old German Fatherland. Mighty Germany you may well vaunt that your sons are victors and that the jealous boastings of the enemy will soon be met by their merited end. Fifty years have passed since I migrated but my heart has ever felt a love for Germany's welfare.

New York, October 19, 1916

(Signed) LEOPOLD ZIMMERMAN.

Enclosed check for \$1000.00

We donated to the Aid Society of German Women of Berlin and New York 10,000 feet of original German war moving pictures taken on the different

1776 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

battle fronts, of the value of 25,000 marks. for the support of the orphans of fallen heroes.

New York, August 22, 1916

(Signed)

THE AMERICAN CORRESPONDENCE FILM Co., Inc.

FELIX MALITZ,

General Manager.

GUSTAV ADOLF ENGLER

Assistant Gen. Manager.

Good fortune and blessings for the noble work. May there be no blank page

(Signed)

GEORGE SYLVESTER VIERECK

The pages already subscribed so generously and so nobly prove in a most convincing manner how full the German American heart is of sympathy for the terrible sacrifices of our racial brothers on the other side, made for the purpose of preserving our German Fatherland.

(Signed)

THEODORE SUTRO

Out of gratitude and love for the good old Fatherland. the German Evangelical Reformed Church, the Kaiser Bell Church, \$100.00.

East 68th St., New York City

(Signed)

REV. JULIUS JAEGER.

BROOKLYN, N. Y., *January 9, 1917.*

The members of the Hanover Society of Brooklyn donated on this day to the orphans of fallen warriors in our beloved Fatherland, \$350.00, in order to make them good and useful members and citizens of Germany.

By command of the Executive Committee of the Hanover Society.

As a token to our German hero brothers and as a mark of our highest admiration of them and of their incomparable hero Kaiser, the German-American Committee in co-operation with the German Church of Elmhurst, New Jersey, donates \$260.00

With thankful hearts and feelings of accomplishment of a faithful duty. the Sons of Germania in Long Island City, New York, collected \$250.00.

For the benefit of the orphans of German warriors the United Societies of Bayonne, N. J., donated the sum of \$310.25.

As a token to the beloved German Fatherland and her great Kaiser, Wilhelm II, the best and noblest prince of all history, from a number of truly German thinking Evangelical churches of the city of Brooklyn, \$100.00. Feb. 23, 1917.

(Signed)

J. DIETZ,

34 Prospect Ave., Brooklyn, NY

German Round Table at Kuechlers Roost, Reading, Pa.

That the old year, so rich in suffering, may give away to a new and better one, to you little heroes and sufferers over there. whose fathers have been killed on the field. May you have a Happy Christmas in the old year and may the new year bring us soon the Golden Peace.

Christmas, 1916 \$1000.00.

So long as German bells ring from the Memel to the Rhine, so long as the German sea breaks upon the strand, so long, O German People, remember what your fathers created in a memorable monument of German glory.

August 2, 1917,

(Signed)

H. URKSCHWERDT

The officers and crew of His Majesty's Auxiliary Cruiser, "Cormoran" donated on the occasion of the birthday of His Majesty The Kaiser. on January 27, 1915, 10,000 marks for needy ones of the Imperial Navy. Further they have collected the sum of 3,658 marks. This sum will be turned over to the Aid Society of German Women of the Prussian House of Lords with the direction that this sum be given to the orphans of the Navy, which on the Australian Nation during the war gave their lives for the glory of the flag.

Fort Douglas, Utah, August 2, 1917.

The last piece of money. I hid it in a stocking. shall be dedicated to the war orphans.

Fort Douglas, Utah, November 17, 1917.

In Prison Camp

(Signed)

DR. KAMPMANN

The subcommittee, at 5 o'clock p. m., adjourned until to-morrow. Saturday, December 14, 1918, at 10.30 o'clock a. m.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

SATURDAY, DECEMBER 14, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Nelson, and Sterling.

TESTIMONY OF CAPT. GEORGE B. LESTER—Resumed.

Capt. LESTER. Mr. Chairman, I would like to make a brief statement for the record in reference to a newspaper article which appeared in the Washington Post of this morning respecting my testimony in connection with Edward Lyell Fox, the statement being in substance that I made a misstatement under oath in reference to Mr. Fox's connection with the Hearst newspapers, and that being so, the charge is flatly made that I committed perjury. This news item is sent out to the Washington Post by the Universal Service, a telegraph service, which is the Hearst service. Concurrently with this publication there appears a headline article in the New York American under date of December 14, to-day, entitled "Edward Lyell Fox, Correspondent, Never was in the Employ of Mr. Hearst."

Then follows the vicious attack upon the testimony which I have given before this committee. I wish to state for the present, and let it go upon the record, subject to a more detailed statement and further evidence of Mr. Fox's work in Europe, that I made no statement that Edward Lyell Fox was in the employ, in the sense that he was a war correspondent in Germany in 1915-16. The evidence is perfectly clear on that, that Mr. Fox had received credentials from Bradford Merrill in the form of a letter, the same gentleman who signs this article in the New York American of this morning; that he received letters from Mr. Schweppendick, the Hearst representative in Berlin, and wrote for the Hearst newspapers, the New York American, and the articles were published in the New York American. I have in my possession, written in Mr. Fox's handwriting, his confessions covering his activities with the Germans, and I have a mass of evidence that two of the officers of the Military Intelligence have been kind enough to bring down here, which further elaborates that connection, if it is deemed advisable to put that in the record. I merely would like to make this statement as a preliminary statement, subject to a further and possibly more formal statement when I have gone through this article and had the benefit of the reporter's min-

utes of my testimony and the opportunity to go through additional evidence.

I may add to my testimony given yesterday with reference to the International News Service, that I have been in touch with the British military authorities in Washington since our last hearing and am informed by them that the Hearst service was barred from Great Britain in October, 1916, on account of the extreme pro-German character of the telegrams that were going over the cable, and that it was restored in April, 1918. They have undertaken to get for the benefit of this committee some information covering more in detail the reasons, which they will submit within a few days, and if the committee desires to have it we can put it in the record.

At the session yesterday, Senator Wolcott requested that I select from the large mass of telegrams passing between Dr. William Bayard Hale and the Hearst papers certain ones showing an anti-American attitude or containing anti-American statements, and also certain messages covering a variety of subjects dealt with in German propaganda through these messages. I have here a telegram sent on March 1, 1917, addressed to "Hearst American" and signed by Dr. Hale. which reads as follows:

LESTER EXHIBIT No. 13.

TUCKERTON, N. J., *March 1, 1917.*
BERLIN, 3.45 P. M.

HEARST AMERICAN, N. Y.

Despatch hundred sixtynine Berlin first Presidents concept "Armed neutrality" not understood here. Armed neutrality of century ago was concert of nations resisting British assertions right to control seas. Precisely what is Mr. Wilsons idea armed neutrality present day unknown here. If President means assert right American ships pass to from American English German neutral ports with lawful cargoes this believed entirely accord precepts international law precedents American history. But thus suddenly to assert rights of neutrals apparently against Germany after having two years submitted British pretentions rule seas confuses European mind.

President's idea arm merchant ships arouses profound astonishment as arming merchants undoubtedly places them category combatants which legitimate prey. Berlin isn't without information of famous Sullivan law and wonders why American President so far departs from usages deemed necessary even by Tammany as to legitimatize possession and use private weapons.

HALE

S. E A Lichtenstein, B 13 AX.FA 607PM.

As the committee will probably know, the Sullivan law referred to is the law which makes it a crime to carry weapons in the city of New York. It will be noted by the committee that this cablegram was sent after the breaking off of our diplomatic relations and was sent over the German wireless, every one of which messages was not only subject to censorship by the German foreign office but subject to scrutiny. Nothing could go over that wire that did not meet the approval of the German Government. There are quite a number of these messages. The next one which I shall read is dated January 13, 1917, and is as follows:

LESTER EXHIBIT No. 14.

TUCKERTON, N. J., *Jan 13, 1917.*
BERLIN 1.00 PM

NEW YORK AMERICAN.

Despatches twentynine Berlin twelfth feeling tonight Berlin hardly be described as one unexpected disappointment but certainly is profound astonishment. Past month certain number persons optimsticly endowed have believed

early peace within realm possibility this hope being based undeniable successes central arms everywhere generally satisfactory economic position centrals and knowledge growing stringency England France Russia Italy together with impossibility understanding what entente could possibly hope achieve continuation war. True unparalleled vindictiveness British press aggressive speeches members British Government seemed indicate entente unyet ready believe this effort crush Germany hopeless. Insolence answer peace proffer December twelfth accepted final by many but still remained few who expected entente answer Wilson be couched different terms.

That answer now known here and while in truth more decent in phraseology brutal accusation having now degenerated into querulous recrimination, core of note reiterates denial willingness discuss peace except on terms ridiculously impossible. Contracted military position belligerents after more two years war makes it in German opinion monumental insolence entente assume dictate reorganization Europe involving unonly restoration Belgium northern France Alsace-Lorraine Poland Polish East Prussia Servia Montenegro Roumania Trentino total dismemberment Austro-Hungarian empire and over handing Constantinople Russia. Tis perfectly understood everybody names extreme figures when approaching negotiation but still dare to which entente proposes negotiator I sit down is so stupefying in its colossal effrontery that its effect is render all thought peace this moment utterly hopeless. Germanys proffer was made absolute sincerity and with every willingness give Europe and world lasting peace on based mutual respect rights all nations great small. But not man woman child all Germany for moment dream submitting to such terms as infatuated circle men moving unreal atmosphere Downing Street printing house square wildly talk of imposing upon the four allies central Europe victorious everywhere and only ready waive advantages further certain victories because sincere lovers peace.

War will go on.

Senator STERLING. That refers to the President's note?

Capt. LESTER. That refers to President Wilson's note in reply to the note of December 12, 1917, of the German Government. That is from Dr. William Bayard Hale to the New York American on January 13, 1917.

The next message which I shall read is dated February 12, 1917, addressed to "Hearst American," signed "Hale," and is as follows:

LESTER EXHIBIT No. 15.

Recd. from S. S. Berlin via Nauen Date Feb. 12th.

HEARST AMERICAN, New York:

Despatch hundred nine section C. Twas undoubted shock German Government people that president took moment inthrow fortunes ustates with britain whose contemptuous profession right controll ocean his so harshly oppressed american trade true large party here believes action taken january thirty-first would inevitably provoke american resentment but wilsons professions early peace was decisive factor decision invoke ultimate measures especially in this fact germany had informed him desired nothing beyond swift termination conflict without victory of aggrandisement.

President's instant retort by severance relations universally interpreted here as results his personal favoritism england which though often before displayed has awaited final hour deal what intended be fatal stroke germany.

Especially in his effort alienate austria denounced. Germany's note was undeniable austria's yet german ambassador given passports austria permitted remain which germans view as action for which inconsistency is mild word.

Regarding location january thirty-first was decisive opinion unbefore taken but since saturday while nation together allies united agreement now necessary bring fight one conclusion or another against world of foes stop unquestionably central europe is welded into absolute unit deeply embittered in inspired final resolve preserve selfexistence. Many believe this single action wont necessary envolved single american life. Even dictate humanity equally selfevident recommends this hope and many facts seem justify belief in it gerard has repeatedly expressed belief no war some.

Sentiments above retort absolutely without comment disavowing any responsibility beyond that of reporter to communicate facts.

Sent by Hale.

Date Feb. 12 Time 10 pm.

Senator OVERMAN. I understand that these telegrams which you are now reading came over the German wireless after the Hearst service had been barred?

Capt. LESTER. Yes. They came over the German Government wire, the Overseas News Service.

Next is a message sent on the 7th of March, 1917, by Dr. Hale addressed to Hearst American by wireless as the others.

Senator OVERMAN. Instead of reading these, if you desire, you can just put them in the record.

Senator KING. Is there any necessity for putting all of these in the record?

Senator OVERMAN. He has selected some of these at the request of Senator Wolcott.

Capt. LESTER. I have selected out of this mass of cablegrams a number covering certain topics, at the request of Senator Wolcott, the first topic being in response to his inquiry as to whether there were any messages which showed that Dr. Hale was anti-American, and on that subject I have read some of the messages referring to President Wilson and the Government policies. This message of the 7th of March, 1917, dispatch 182, is as follows:

LESTER EXHIBIT No. 16.

Date 3/7/17

Hearst American New York.

Despatch hundred eighty two berlin sixth noon extraordinary interest created receipt uncompleted reuter message communicating presidents message american people stop unknown whether this inaugural stop as received message on dwells paralysis government reason possibility senate filibuster commiserates expression feared caused europe states not back of president because senate methods make power american govt. helpless and contemptible stop message seems declare president not call sixtyfifth congress especially because just discovered certain acts would render practically invalid congressional measure giving executive powers especially act eighteen nineteen forbidding use armed privateers against naval vessels nations amicable relations states stop this point message thus far received stops paragraph interest central question what president proceeded propose stop submarines are armed naval vessels nation not war us states stop tis asked whether wilson proceeds announce determination declare that while germany not actually war states comma not in amicable relations not in any relations therefore act eighteen nineteen inapplicable and he free arm merchantmen paragraph other anticipations remainder message current stop prevailing belief is american merchantmen armed comma contest with german submarines possible likely comma still these isolated combats unprovoked formal war paragraph some degree astonishment here american colony zimmerman note unaroused more resentment america

HALE.

I submit also the following:

LESTER EXHIBIT No. 17.

Date

To Hearst Amn NY.

despatch two hundred twelve Berlin second London papers just received her reveal fact Thomas Curtin self confessed English spy who claims spent ten months Germany on American passport representing self as staff World's Work is meeting severe criticism even in England whose stomach apparently turned by renegade Americans disreputable methods stop I told by excellen

authority his passport which expired October thirteenth refused renewal after investigation Washington State Department though possibly temporary laissez passer provided for him home paragraph advices received here state American journalists London declined attend session American luncheon club at which Curtin scheduled speak and that whole newspaper fraternity frowns upon recognition man who used American passport and connection with Walter Page to do Northcliffe's dirty work stop Times and Daily Mail November eighteen contain signed statement Curtin explaining that on returning England he placed information he had obtained in hands American Ambassador namely his former employer Page proprietor World's Work stop statement continues quote furthermore I saw to it that valuable information cabled U States proving that German govt was expending money on election Hughes unquote who cabled this quote information unquote which is ridiculously false question mark paragraph Page has had nearly two months in which to repudiate Curtin stop thus far no denial Curtin's claim represent World's reached Berlin.

Hale.

Now, following these messages are messages on the following topics: Detentions of Americans in Berlin after the breach of diplomatic relations.

Senator NELSON. Can you give the date when that occurred, Captain?

Capt. LESTER. I think it was the 12th of February.

Senator NELSON. The 12th of February, 1917?

Capt. LESTER. Yes; about that time. I can verify that.

There are some messages from Mr. Hale to "Hearst American," and the American. These messages, by the way, are addressed indiscriminately to "Hearst American," "New York American," and "American," outside of those addressed to Mr. Hearst personally, all of them signed William Bayard Hale.

There are messages from Mr. Hale to the Hearst papers on the treatment accorded Mr. Girard, our ambassador in Berlin, immediately prior to his departure from Berlin for the United States in 1917 that throw an interesting side light on some of the happenings there.

Senator NELSON. Are you putting them into the record?

Capt. LESTER. I thought I would lay them aside and go over them with Maj. Humes, and select specimens on topics that might be of interest, and then submit them to the committee.

Senator OVERMAN. All right.

Capt. LESTER. There is a message from Mr. Hale to Hearst American on March 5, 1917, giving certain information on the Zimmermann note. It is as follows:

LESTER EXHIBIT No. 18.

TUCKERTON, N. J., *March 5, 1917.*

(Press collect)

BERLIN 850AM

HEARST'S AMERICAN N. Y.

Despatch hundred seventy five Berlin fourth while hints contents Zimmermann letter circulating Berlin yesterday only today alleged text published stop Publication arousing amazement all circles stop Vorwaerts says that having doubted long as doubt possible establishment proof accuracy letter dumbfounding Vorwaerts continues the Mexican adventure is a piece of that section German foreign politics for which social democrats disavow responsibility paragraph Count Reventlow in Tageszeitung sharply criticises action characterizing it inconceivable especially that German government could have offered Texas New Mexico Arizona on slender basis Reventlow says quote those who set hopes on divided sentiment U States deeply regret turn events deeming it unwise

that in this moment there was invented a German foreign policy which might be described as touching match powder barrel end quote Whole subject undoubtedly ventilated Reichstag chief committee which will listen Zimmermann tomorrow paragraph Statement made me by Zimmermann and wireless yesterday gave best possible explanations his action but secretary failed on touch approached Japan or offer of free hand Mexico to recover last territory stop To anyone familiar America the absurdity any effectual aid from Mexico the improbability any response Japan together with a certainty of absolutely solidifying American opinion and rendering impossible further efforts those disposed friendly Germany so apparent that action incredible.

BAYARD HALE

S/ E A Lichtenstein B3 March 5 1917 933AM

There is a message from Mr. Hale to Hearst's American, under date of March 9, 1917, giving probably a truthful description of the treatment of the *Yarrowdale* prisoners by the Germans—the American prisoners who were taken off from the *Yarrowdale* that was sunk by a German submarine.

We can cull these telegrams out and put them in.

Senator OVERMAN. Do not put in too many. We do not want to cumber the record with unnecessary stuff, but anything you want to read that you have selected——

Capt. LESTER. I am simply pointing out, Mr. Chairman, that these messages have been selected as specimens of different general topics, and on each general topic that I have mentioned there are hundreds of wireless messages.

Senator KING. My idea is that you might select some that are types, and then state that there were 40 or 50 or whatever the number is of other similar ones that belong to the same class.

Capt. LESTER. Yes.

Senator OVERMAN. What did you say about the Zimmermann note?

Capt. LESTER. In that cablegram of March 5, 1917, from Mr. Hale to Hearst's American, he gives the German governmental view of the Zimmermann note, that at the time had been published, the interesting point being that the German Government did not repudiate the Zimmermann note or state that it was a forgery, but looked upon it as an unfortunate blunder.

Here are some messages on the subject of the independence of Poland, and the welcome given to Germany upon its entrance into Poland and taking possession of the Government.

Here is a message on the alleged Japanese situation. This is a specimen of many.

I have selected from messages on the subject of Ireland one interesting one, which is a report by Dr. Hale of an interview with Dr. Solf, the recent foreign minister.

Senator KING. What did he say? Read that.

Capt. LESTER. The message is four closely written pages.

Senator OVERMAN. Then put it in the record.

Senator KING. If it is going to be put in the record I can read it there.

(The cablegram referred to is here printed in full in the record. as follows:)

LESTER EXHIBIT No. 19.

Recd. from S. S. Berlin Via Nauen Date: Jan 29th, 1917.
To NEW YORK AMERICAN

Despatch seventy Berlin twenty-eight today enjoyed opportunity conversing Doctor Solf, Imperial Colonial Secretary stop Important as were excellency's remarks regarding the reasonable colonial aims Germany comma these less

interesting to Americans than were certain declarations in which secretary indulged expressive of sympathies Imperial German Government with Ireland paragraph Excellency said quote historic senate address President Wilson January twenty-two sets forth among other great principles following subquote no peace can last or ought last which doesn't recognize principle governments derived their just powers from consent governed dash that the inviolable security of life worship industrial social development should be guaranteed to all peoples who have lived hitherto under power governments devoted to faith and purpose hostile their own unsubquote If this noble sentiment applies anywhere it applies to case Ireland which during many years has been subjected under English ideas and desires paragraph I remember well occasion when that unfortunate patriot Sir Roger Casement who had just come from U States told me of fact that British Government widely publishing in Ireland declarations to effect German victory would influence severe damage Irish people that their land be devastated homes churches desecrated priests surrendered to mercies of army invaders bent plunder paragraph These allegations reiterated and reenforced interviews prominent public men with dubitable Irish connections hand so Casement told me comma caused some concern Ireland as to possible effect German victory stop

The misrepresentation of German intentions was so complete and palpable that at behest Imperial Chancellor Acting Secretary State Foreign Affairs made the statement that Imperial Government emphatically objected as unwarranted the intentions imputed to it and availed itself opportunity give categorical assurance Germany entertained only best will and good wishes for welfare Irish people their country their institutions stop Imperial Government always actuated utmost sympathy oppressed country and its people for whom wished only national existence national liberty end quote Secretary State for Colonies continued impressively quote These sentiments still represent feelings German Government stop Far from regarding Ireland as country which should be laid open to foreign conquest we look upon it as oppressed land which Germany most sincerely desires see liberated and endowed civil social political religious independence stop No half hearted concessions wrung from reluctant oppressors because of their foreign embarrassment ought satisfy natural and manly aspirations Irish peoples but only a complete independence in happy atmosphere of which Irish genius could bring beautiful Ireland to state prosperity and well being which it enjoyed before twas brought under English yoke end quote.

HALE.

Capt. LESTER. I have selected this because it throws a very interesting sidelight on Dr. Solf's character, just in view of recent events.

In going over a portion of the messages last evening I found another message from Alexander Fuehr to the foreign office under date of October 20, 1916, reading as follows:

LESTER EXHIBIT No. 20.

SAYVILLE, NEW YORK, Oct. 20, 1916.

Zentralstelle Fuer Ausland Sdienst, 62 Wilhelmstrasse, Berlin. International news service requests early wireless reply concerning proposition submitted my radiogram last Friday.

ALEXANDER FUEHR

This refers to the substitution of the German wireless for the cable service by way of England.

Senator NELSON. Did any other newspaper service aside from this Hearst service get the use and benefit of the German wireless at this time?

Capt. LESTER. None that I know of.

Senator NELSON. That was the only American newspaper service which got the benefit and use of the German wireless?

Capt. LESTER. I know of no other.

There was introduced in evidence in connection with the large number of telegrams sent by Mr. Hearst to the New York American, or to those representing the New York American, in February and March, 1917, one telegram that purported to give Mr. Hearst's personal views on the international situation as between the United States and Germany at that time.

I have found among the radiograms the following message sent by Bayard Hale to Hearst's American on February 20, 1917:

LESTER EXHIBIT No. 21.

Date: 2/20/17

To Hearst's American.

New York. Berlin nineteenth Bradford Merrill promised remittance for wireless tolls unreceived suggest single remittance about five thousand dollars cover tolls meet possible emergencies stop patriotic wireless statement from Mr. Hearst's would be widely printed here might have much influence.

BAYARD HALE.

Capt. LESTER. I have selected some messages sent by Mr. Hale to the New York American, addressed New York American and Hearst's American, covering the general subject of description of atrocities and horrors of war and U-boat horrors. These, which were sent during the early part of 1917, depict vividly the horrors of war and its consequences from the European standpoint.

Here are some messages selected on the subject of the breaking down of the morale of England among the populace, and certain types of anti-English messages.

Senator STERLING. Those were sent in 1917?

Capt. LESTER. Yes; early in 1917, most of them in January, February, and March.

Senator STERLING. Would you mind saying what you believe to have been the purpose of telegrams of that kind?

Capt. LESTER. The purpose of those telegrams, and all of these 1,200 or 1,500 telegrams, was to supply the Hearst publications with material for publication in their newspapers, the telegrams themselves, what are referred to as editorial telegrams, being published in the New York American as sent over, over William Bayard Hale's signature. The news telegrams, so far as they relate to the type that I have read here, were used, according to a great many articles that have appeared in the New York American, as a basis for further elaboration. These telegrams such as I read were information telegrams, or merely news telegrams that could be used as a basis of an editorial, or as a basis of an elaborated news article.

Senator OVERMAN. You stated yesterday, Capt. Lester, that you were going to put in some information in regard to German propaganda among the negroes in the South.

Capt. LESTER. We have some evidence and information, Senator, of the work among the negroes by the Dr. Albert propaganda bureau, the facts being these: That a separate department was maintained in the Albert bureau for the handling of American race problems, the principal among which was the negro question.

The bureau obtained through newspaper agencies and exchanges and from these so-called clipping bureaus records of every lynching in the United States, and every attack by colored men upon a white

person, or every news item which showed the alleged oppression of the colored race.

These were formed into propaganda articles, and were forwarded to the editors of established newspapers, that is, white newspapers, and also to the editors of colored newspapers.

The field work was conducted by a man by the name of Von Reisz, formerly a consul, I understand, at one time at Chicago.

His headquarters, if you could say that he had any headquarters, was in and about New Orleans, and all of the negro propaganda work was conducted from Mexico by Von Eckhardt. I say all of it in the sense that the directing head was in Mexico. The men used for the negro propaganda work were Mexicans and halfbreeds, and men that were brought to Mexico City and instructed and sent across the border; and the wave of negro propaganda work went from the Mexican border east, and embraced the States, principally, of Texas, Louisiana, Arkansas, Mississippi, Alabama, Georgia; and States such as North and South Carolina and Tennessee were really on the outskirts of the movement.

The propaganda was directed to stir up trouble continuously between the whites and the blacks of any nature and description. That was the first item.

The attempt was also made to win the colored race to the cause of Germany by innumerable arguments. We have information that the propaganda took this form: That the negro leaders who were subsidized, or attempted to be subsidized, in various local communities and by letters—I do not mean the big leaders of the negro race but small men scattered here and there—told the negroes that in Germany the blacks were equal to the whites; that in Europe they had no color line. They exhibited statements, presumed to be authentic, to this effect and argued with them that if Germany won the war the rights of the colored people in the South would be equal to those of the whites. That was the principal argument. They played continuously upon the lynchings, and the propaganda also took the form of attempting to prove discrimination in 1917 against the colored soldiers.

In the years 1915 and 1916, when this propaganda really began to get into full swing, the obstacle that the Germans ran up against was the increase in wages and the enormous influx of colored labor into the northern or border States; but they counteracted that, or attempted to counteract it, by telling the colored people that the increase in wages was due to Germany's paying their help much higher wages. However, their whole system was actually broken up, so far as the civil population was concerned, before 1917 on account of the high wages paid and the demand for labor in the North.

In the military end the propaganda took the form that the negro soldiers when they were wounded were left on the ground to die without medical attention; that the negro soldiers in France were sent to the front firing line; that various forms of discrimination were practiced against the negro soldiers; and that if the Germans were victorious Germany had promised to set aside a portion of this country where the colored people could rule themselves.

This propaganda became so serious from the military end that active measures were taken to suppress it.

The real leaders of the colored race in this country were called to a conference in Washington on July 6, 1918. There was a large number of these representative men of the colored race present, a list of which I have.

As a result of this conference, which lasted several days, an active counter propaganda, through the committee on public information was prepared. Articles were written denying statements of this character, and as a net result the President issued a statement on Friday, July 22, 1918, deprecating and denouncing mob action; and that is about the last that was heard of the German propaganda among the negroes. The matter seems to have settled down after that.

The fact was, however, as stated, that there was a determined attempt on the part of the German propagandists to stir up that trouble.

Senator NELSON. Trouble among the colored soldiers?

Capt. LESTER. Yes.

Senator OVERMAN. I heard that they were also offering lands to the negroes.

Capt. LESTER. The propaganda among the soldiers was that if Germany were victorious in the war Germany, when it took the United States, was to set aside a portion of the United States for the colored race, where they would have an independent rule or some form of government.

Maj. HUMES. Yesterday, Captain, I asked with reference to the financing of the trip of William Bayard Hale into Roumania, and you said at that time that you did not have any recollection on the subject.

I would like to ask you now if you have refreshed your recollection and if the Government has available any information with reference to how that trip was financed and who financed it?

Capt. LESTER. On the 5th of August, 1918, Mr. Louis Durant Edwards, a private secretary of Dr. Hale, and the man who accompanied Dr. Hale to Germany, made a statement before Mr. Becker, deputy attorney general of the State of New York. I have the record of this statement before me, and Mr. Edwards says as follows, in part:

In July, 1916, we—

Meaning himself and Dr. Hale—

took a trip to Roumania and remained there about two weeks. We were there a little over a week, I should judge.

Q. Who paid the expenses of transportation to Roumania?

A. The German foreign office made all of our arrangements on that trip including the buying of the tickets and sleeping-car accommodations.

Q. Did you meet with any interruption in passing the border?

A. None whatever. We went through on a special pass. In fact, on my passport a thing that aroused the attention of the British officers at Kirkwall when I came home, was that Vermark saying that "traveling in the business of the foreign office," which was still on my passport; meaning the German foreign office.

That is the only information that is in my possession, or that has come to my attention, that the German Government paid the expenses of the trip to Roumania.

Senator KING. Have you talked with Mr. Edwards yourself, Captain?

Capt. LESTER. No, sir; I have not.

Senator KING. Did you talk with Dr. Hale in regard to this matter?

Capt. LESTER. I have never interviewed Dr. Hale; no, sir.

Maj. HUMES. I think Mr. Bielaski on the witness stand called attention to Mr. Edwards' passport, and especially with relation to that notation on the passport.

Capt. LESTER. There is one form of propaganda conducted by Dr. Albert and Dr. Fuehr's bureau that was not touched upon in Mr. Bielaski's testimony, and that was through the Lutheran Church.

For the information of the committee, the Lutheran Church in the United States is divided into a number of so-called large synods, principal among which are the Missouri synod and the Iowa synod, and the large ministeriums and the Philadelphia and New York sections.

There are about 6,000 congregations in the United States, and communicants numbering nearly 3,000,000.

There are certain sections of the Lutheran Church that have maintained the mother tongue of Germany in all of the church services and all the teachings in the Sabbath schools and parochial schools, and are doing it at the present time.

Senator KING. Let me ask you this: Do I understand that there are churches now that conduct their services in the German language?

Capt. LESTER. Oh, yes.

Senator KING. And that their parochial schools are teaching the German language to the exclusion of the English language.

Capt. LESTER. Not to the exclusion of the English language, as I understand it, Senator, but there are a great number of churches, as I am informed by some of the heads of the Lutheran Church that I have interviewed in connection with this investigation, that conduct their services in the German language at the present time, scattered all over the country.

Senator STERLING. Have you known, Capt. Lester, of the action taken by different States, through their State Councils of Defense, in regard to the teaching of the German language, or the use of the German language in religious services?

Capt. LESTER. There are 14 States that have passed laws forbidding the use of the German language in public schools. There are only two States that I know of that, under their State Councils of Defense, have prohibited the use of German in churches. One is Iowa, and I think the State of Washington is the other. I am not certain as to the latter, whether that was finally withdrawn or whether it has continued. The State of Iowa was one, however.

Senator STERLING. In the State of Iowa, as I understand it, the use of any foreign language is prohibited in public meetings of any kind?

Capt. LESTER. Yes.

Senator STERLING. Church or otherwise?

Capt. LESTER. Yes. The propaganda among the Lutheran pastors was directed entirely through the channels of pastors who had been born in Germany or were alien enemies or were of German parentage and strong German leanings. There were over 1,200 individual cases investigated. By that I mean an actual investigation

of all of the surrounding conditions in which the subject lived, the opinion of his neighbors, the following up of statements that were attributable to him, of either a disloyal character or statements that were hostile to the governmental policies of the United States.

In addition to these direct investigations, there were two or three prominent Lutheran clergymen who assisted the Government in getting information. Great difficulty was experienced, after the United States got into the war, in certain of the camps or mobilization camps and cantonments, on account of the activity of certain pro-German Lutheran clergymen in and about the camps among the soldiers.

We have had conferences—I personally conducted a number of conferences—with representatives of these large synods, and pointed out to them the facts in reference to individual cases; and they have admitted, and stated in written statements that are on file, that there have been clergymen in the ranks of their church who have been anti-American and have been disloyal to the United States.

Active measures were taken by the better element—not the better element; that is not the word, necessarily, but—

Senator NELSON. The American element?

Capt. LESTER. The American element of the Lutheran Church, to curb those men. Some of them have been convicted under the espionage act, and are doing time in Atlanta at the present time.

The difficulty of approaching the subject, of course, is obvious. These men, after all, are clergymen of the Christian religion, and have the protection which is due that. Their services were conducted during the period of our entering into the war, in over 50 per cent of the churches in the German language. Unless distinct evidence of disloyalty was found, no action was recommended nor reports made to the Department of Justice, which, in the last analysis, handled all of this matter.

Senator KING. From your investigation did you find, Captain, that the effects of the pro-German sentiment of some of these Lutheran ministers were observable in their congregations?

Capt. LESTER. Oh, yes; in practically every case. The relation between the German Lutheran clergyman and his congregation is exceedingly close. They are really pastors, almost in the literal sense. The members of their congregations go to them with every conceivable personal affair. They confide in them. And we have found, in localities, to use a slang expression, that "the word had gone down the line," to groups of Lutheran clergymen, that they were to preach sermons in favor of Germany; and that was done. There are cases in the city of New York. One case particularly I investigated personally, where the clergyman admitted to me that he had received instructions to preach such a sermon.

This man was taken by the Department of Justice agents, and interned on Ellis Island, before there was any espionage act passed and he was afterwards released on his promise to keep still.

From the period of August, 1914, down to April 6, 1917, in hundreds of the Lutheran churches the continuous preaching was in favor and hope of German victory.

Some of them could not stop after we got into the war. They continued. But it is proper to say that those in authority among the great synods and among, also, the 30 or 31 smaller synods, have vigorously taken up the disloyal end and are endeavoring to stamp it out.

Senator KING. Did these same leaders take up the question of advocating the use of the German language in their churches?

Capt. LESTER. That, Senator, I am informed by one of the leaders is the big vital question in the Lutheran Church in America to-day. They realize that they have a bad asset in the German language. They are confronted with that. But, on the other hand, they are confronted with the almost positive assurance that the abolishment of the German language will lose adherents to the Lutheran Church. They realize that in the second generation—that is, the coming and the next coming generation—unless the German language is perpetuated, it will be a lost language in the Lutheran Church.

There is a group that are in favor, at the present time, of making a clean sweep and abolishing the German language.

There is another group that is in favor of still perpetuating the tenets of the Lutheran faith through the German language, in order to keep that language alive; claiming that Martin Luther's belief can only be explained through the German language, the English language being inadequate.

Senator KING. I wish all of the American people and those in our country could realize the fact that unity of language is essential to a unity of political ideals; and the sooner we get rid of foreign languages in our country the better it will be for the American people and for this Republic.

When we were conducting the National German-American Alliance hearing, a gentleman who is in the service of the Government now and has been for some time, occupying quite an important position, stated that there was evidence that Germany paid some of these Lutheran ministers. Have you any information as to that, Captain?

Capt. LESTER. That is the fact, as we found in a few cases. They handled the Lutheran clergymen, Senator, in much the same way as they did the college professors of the higher educational groups, the idea being this: They would single out—and I have in mind the city of Philadelphia—a very intelligent, brainy Lutheran clergyman, and they would arrange an interview with him in New York or in Philadelphia. They would then tell him that they wanted him to write on religious subjects, and he would write articles, and submit them, and receive money for them. That was a part of their system of holding them.

They were particularly fortunate, however, among the most of the Lutherans, because they would not accept money. They did it for the Fatherland. They would do anything for the good of Germany.

We had a man working among the Lutheran clergymen around through the East, who was a former German agent, sent over from Germany into this country, who interviewed about 40 of the leading Lutheran clergymen, giving the story to them, which was true, that he had been in trouble with the Government, and was looking to his future; that he was a writer—which he was—and he wanted their advice; that he was a stranger in a strange land and liable to be taken by the Federal Government at any moment. And these gentlemen gave him counsel and advice and came out very openly and discussed this Lutheran question and their connection with the German propaganda.

That was one angle. In other innumerable investigations it was found that the clergymen offered this as a personal sacrifice; that they were glad to do it.

There were instances of the subsidizing of a branch of the Lutheran Church, which is not denied, through what is known as the Kropp Institute in Germany. It is the Evangelical Lutheran Church—I think that is the name—but the Lutheran Church in Germany that is under Government supervision, the Kropp Institute being the evangelical seminary.

The graduates are sent from that institution to various parts of the world; and the admission is, from these men, that they are sent over—were prior to the war period—to confer with heads of the various synods, take pastorates, and carry the true faith as they had received it in their course of instruction in the Kropp Institute.

Those men were paid by the German Government. That is, their expenses were paid.

That, of course, comes legitimately under the head of foreign missions, I suppose.

The foreign mission work of the Lutheran Church in the world is enormous. It extends through practically every civilized country in the world, where their clergymen are sent, and their missionaries are sent. Their yearbook is particularly interesting in that the information therein contained shows the wide ramifications of that church—probably the widest of any Christian church in the world.

Senator KING. Did you make any investigation, Captain, at the Atlantic Trust Co. or any other of those banks in New York or Philadelphia, or other parts of the United States, which had to do with foreign exchange?

Capt. LESTER. I never had anything to do with the financial investigations personally, Senator.

Maj. HUMES. I think you can get more information on that subject from Mr. Becker, when he gets here, than from any other source. Senator. He has given especial attention to financial transactions.

Senator NELSON. I think in Prussia the Lutheran Church is a State church, like the Church of England in England.

Capt. LESTER. A part of it is the same church, Senator, as I am informed.

Senator NELSON. Of course, a good share of the German Empire, especially the southern States, is Catholic.

Capt. LESTER. In Germany; yes, sir.

Senator NELSON. Bavaria, or what they call Berne and Baden, I think, are largely Catholic.

Senator STERLING. In your investigation, Capt. Lester, did you find any evidence of efforts on the part of German Lutheran ministers to influence Members of Congress and Senators in regard to legislation here in regard to the munitions embargo act, or to influence them against any act on the part of our Government that might precipitate war with Germany?

Capt. LESTER. No. I never made any investigation along that line. Senator. The investigation that I conducted and directed was along the line of individual cases of disloyalty and the relations of the individual Lutheran clergymen to the Army; that is, that was conducted in conjunction with other officers and with other investigators.

Senator STERLING. You were not brought in contact, then, with any correspondence on the part of these ministers with Congressmen and Senators?

Capt. LESTER. Yes; we were in one case that might be mentioned. Senator Calder turned over to the Military Intelligence a large number of letters which he had received from Lutheran clergymen resident in and about New York City. These letters were all strong appeals to Senator Calder to vote against the United States going into war, and also some of them are very strong in their utterances as to why we should not, giving a great many reasons. I think there were about 25 or 30 of those letters.

Senator STERLING. I remember the list received by Senator Calder. They were a fair sample of those received by others.

Capt. LESTER. My attention has just been called to the activities of Rev. Otto Engle, of Milwaukee, who was the organization head in handling the protests to Congress, just before we entered the war.

These various individual cases, Senator, I have prepared in the form of a memorandum or summary that I was directed by my superior to submit to the committee for their personal information, but requested that it not be placed in the record. It shows the activity along definite lines; that is, the opposition to Liberty loans, for example, was a favorite form—in communities every effort was made to defeat the Liberty loan—opposition to the Red Cross, opposition to the Government's general policies. But I must state this in fairness to the Lutheran clergymen, even those who were pro-German, that when the question of conscription came, there was no evidence, except in isolated cases, of any attempt upon the part of the Lutheran church to persuade the young men to evade military service. In other religious bodies there was a strong effort to defeat conscription, but when the conscription law was passed and the first draft, there was no attempt to defeat its operation, except in one or two very isolated cases.

In conjunction with this German propaganda as carried out by the Albert bureau, I should like permission to put into the record a brief summary showing the forms that this propaganda took and the directions that it took. It can be much better put in in that form than stated.

Senator OVERMAN. That is all right.

Capt. LESTER. It was along definite and so-called scientific lines and was kept up systematically for the period that they were here.

(The statement referred to is here printed in the record as follows:)

LESTER EXHIBIT No. 22.

The German propaganda was directed along definite lines and with definite objects in view, which can be generally grouped as follows:

(1) Peace Propaganda.—This form was continuous from the time the Bureau was formed down to its close in 1917. Every conceivable argument why the United States should not enter the war and why the European war should cease was incorporated in hundreds of thousands of pamphlets and in the German Information Service sheet and scattered broadcast throughout the country. This form of propaganda was materially aided by the German-American population and Albert's Bureau was assisted in its dissemination by the German-American Alliance and its various affiliated societies, numbering over twelve hundred in the United States. As has been seen, innumerable peace societies were organized through which literature was distributed and propaganda spread by public meetings and lectures.

(2) A more direct propaganda was the effort made by Dr. Albert and his assistants to actually bring about an Embargo on the shipment of munitions and through fake labor organizations and paid agents to disorganize or stop the production of munitions. Coupled with this was the notorious Bridgeport Projectile Co., to which we have already referred.

(3) The most disturbing form of propaganda was that directed toward our foreign relations, particularly with Great Britain, and also with Japan and Mexico. In the former every effort was made to provoke hatred toward Great Britain and subtle arguments were used to prove that the United States was not interested in the European conflict and never would be; that England was seeking a world domination commercially; instances were cited to show the alleged disregard by England of so-called American rights; Also the Japanese menace and a war with Mexico, singly and in combination, was continually put forward to discourage the United States from venturing into the European conflict. The freedom of Ireland and the oppression of Ireland by England was constantly put in the foreground. Alliances were made between German societies and Irish societies and through subsidies liberally distributed these organizations were supported and their propaganda kept alive. The Sir Roger Casement case was used as a strong weapon for propaganda against England and the Sinn Fein uprising in Ireland and the English method of handling this rebellion was used to inflame the minds of the sympathizers with the Irish cause. It is now a well known fact that Sir Roger Casement was not only a traitor to his country but attempted to organize from Irish prisoners in Germany a regiment to be taken to Ireland to bring about a revolution, failing in which he attempted to get to Ireland himself to aid the revolution, when he was arrested.

In conjunction with all of these forms of propaganda the invincibility of German arms was constantly in the foreground. The defeats of Germany were minimized and her victories magnified and subtle arguments were advanced for the cessation of hostilities, such as the following:

(1) Germany, a country of intellectual, scientific and economic activities, is obliged to fight for her existence, and therefore deserves the sympathy of the whole world, because she was forced into the war by a coalition, treacherously contrived by England. Great stress was laid upon the intellectual and scientific side of the German character. Their literary and musical attainment were woven into the propaganda so as to excite sympathy.

(2) The Allies desire to destroy Germany so that they can get control of German commerce. It is a commercial war—a money war. Germany's army is invincible, therefore, it is only a question of time and why should the neutral countries prolong a wasting war, where ultimately commercial relations will have to be built up all over again with Germany. The neutrals are, therefore, urged to bring pressure to bear on the Allies so that German commerce, of such great value to the neutral countries, will not be interrupted for a long period.

(3) Germany is fighting for the freedom of the seas, which England keeps in her hands, so it is all the more the duty of the neutrals to help Germany to enforce peace. Strong stress was always laid upon the butchery and inhumanity of the war and how easy it would be for the United States to stop this horrible butchery by refusing to ship food and munitions to the Allies. (See three specimens of this propaganda with comments.)

LESTER EXHIBIT No. 23.

PEACE OR WAR?

[Published under the imprint of the Organization of American Women for Strict Neutrality. Compiled from the Congressional Record by William Bayard Hale (with an introduction by him).]

The so-called Organization of American Women for Strict Neutrality was founded by Miss L. N. Miller, of Roland Park, Baltimore. The purpose of the organization was to enlist the women of America in a crusade against the sale and shipment of arms and munitions to the Allies. Dr. Hale, while employed by agents of the Imperial German Government, entered into communication with Miss Miller and later held conferences with her in New York City, with

the purpose of fostering and financially helping this supposedly independent American undertaking.

According to Miss M. K. Stauffer, Dr. Hale's private secretary at that time, Dr. Hale acted as "legal adviser" to Miss Miller and her organization. After Dr. Hale had tied up with Miss Miller her organization launched a country-wide campaign designed to create such American sentiment against the shipment of arms and munitions to the Allies as would force the Administration to establish an embargo.

A vast campaign of bill-board advertising was carried out in the various big cities of the country. On these posters Americans were urged "to uphold the arms of the President in the maintenance of a strict neutrality by demanding an embargo on the shipment of arms and ammunition." These posters bore the name of the Organization of American Women for Strict Neutrality. Miss M. K. Stauffer, Dr. Hale's secretary, arranged the contracts for this bill-board advertising, which according to Miss Stauffer cost \$7,000 to \$8,000, money for the payment of which was given to her in cash by Dr. Hale. The amount of the bill-board advertising used is indicated in the following schedule, which was given by Miss Stauffer:

New York City-----	100	Specials.
The Bronx-----	200	Regulars.
Brooklyn-----	} 154	Regulars.
Jamaica-----		12
Boston-----	6	Regulars.
Washington, D. C-----	100	Regulars.
Baltimore-----	75	Regulars.
St. Louis-----	75	Regulars.
Atlanta, Ga-----	50	Regulars.
Cincinnati-----	75	Regulars.

In addition to this bill-board advertising campaign, Dr. Hale directed a campaign for the securing of signatures to a petition to be sent to President Wilson demanding an embargo. Dr. Hale desired to organize bands of people to secure these signatures and declared he was willing to pay five cents apiece for each bona fide signature secured.

Dr. Hale published his book "Peace or War?" under the imprint of the Organization of American Women for Strict Neutrality. Moneys for these various undertakings by this organization and for the payment of Dr. Hale's books and pamphlets passed through Dr. Hale's hands.

Dr. Hale's book, "Peace or War?" purports to give an account of the debate in Congress following the introduction of the Gore resolution and the McLemore resolution, whose purpose was "to warn Americans not to travel on armed belligerent merchantmen." In his introduction, Dr. Hale, on page 5, makes the following statement:

"Provoked by the introduction of resolutions designed to warn Americans not to travel on armed belligerent merchantmen, and by an intimation from the President that he regarded the resolutions as an invasion of the prerogatives of the Executive branch of the Government, the discussion widened until it had embraced the whole range of subjects connected with the attitude of Americans towards the war."

Dr. Hale implies that the news of this debate was not given to the American public in the following words:

"No truthful account of this great debate has reached the public. Nothing like an adequate narrative of the proceedings in Congress has come into print.

"The newspaper press of the United States in this case entirely failed to fulfill what is commonly regarded as its function. Indeed, the impression given by such of the despatches from Washington as got into print in the newspapers can only be described as false in the extreme."

Dr. Hale's interpretation of this debate as a rebuke to President Wilson and his policy is stated as follows:

"For instance, the impression has gone out from Washington that the Senate and the House voted down the proposal to warn Americans off of armed belligerent ships. This impression is quite false. Again, the impression has gone out that Congress washed its hands of foreign affairs and delivered their settlement over into the absolute hands of the Chief Executive. This is equally false. The impression has gone out that President Wilson asked a vote of confidence,

and received it. The degree of confidence that can be deduced from the respective several votes of the Senate and the House is slight, and any confidence at all that can be detected in the recorded remarks of Senators and Congressmen is extremely attenuated. The frequent reversals of opinion which seem to have marked the diplomacy of Mr. Wilson were universally regretted; his personal attitude toward the belligerents was criticized; his theory of absolute Presidential control of the nation's foreign affairs was attacked in weighty speeches by leading Senators both of his own party and of the opposition; and while the utmost goodwill was expressed toward Mr. Wilson personally by all participants in the debate, *it was made abundantly manifest that Congress was of no mind to be led blindly by any mortal man into the gulf of armed conflict.*"

Dr. Hale goes on to say, page 6:

"The prevailing argument in favor of tabling the resolutions was the general desire not to embarrass the nation's Chief Executive in the presence of any foreign power. Notwithstanding the repeated and puzzling changes in position by Mr. Wilson, and notwithstanding furthermore the general disapproval of his final attitude on the armed merchantman question, it was generally agreed that it would be unfortunate to humiliate him. On the part of Democrats, this feeling was especially strong; it would not promote the party's chances of success in the approaching election publicly to repudiate the leadership of the Democratic President."

Dr. Hale implies that President Wilson was not acting according to the general desire of the American people in the following paragraph, on page 7:

"Moreover, it will be evident that, while the two Houses of Congress were extremely reluctant to go on record in any vote which might be interpreted as an expression of a lack of confidence in the President, there was no hesitation in the assertion by individual members that the course of the Administration was not in accord with the general desire and design of the American people to refrain from participation in the European struggle unless upon the most substantial grounds."

Dr. Hale continues to say, page 7 and 8:

"But the significance of the great debate went far beyond this. It reached to the proportions of an admonition, the most serious ever addressed by an American Congress to an American President, that he must restrain his private prejudices to conform with the general sentiment of his fellow-countrymen. It secured from that President's reputed spokesmen a pledge that before breaking off diplomatic relations with any Government, he would submit to Congress all the facts in the case. *It became a mandate to the President to take no step toward plunging the country into war except with the consent of the chosen representatives of the people.*

"It is of course perfectly understood by everybody in Washington that Mr. Wilson's sympathies are with the British, and that his hatred of Germany and of Germans is unrestrained. There can be no objection to his entertaining a sentimental attachment to the land where his mother and all four of his grandparents were born and with whose literature and political history alone he is familiar. But it is apparently the belief of the representatives of the American people in Congress that it is one thing to have a private animosity and quite another thing to attempt to commit the nation to a bloody conflict in support of it. *It is impossible to imagine language calculated more decisively than was that employed by a majority of the participants in the great debate, to rebuke the very evident desire of Mr. Wilson to involve the United States in war in behalf of England.*"

LESTER EXHIBIT No. 24.

AMERICAN RIGHTS AND BRITISH PRETENSIONS ON THE SEAS.

[Published under the imprint of Robert M. McBride, New York, 1915.]

The title page states that this book was "compiled, with introductory memoranda, by William Bayard Hale."

This book was published in two editions, one of cheap grade, and a second, printed on a superior quality of paper and bound expensively. The expensive edition was sent by Dr. Hale to various universities throughout the world, to many distinguished people and particularly to men high in affairs in Germany.

The paper-bound edition was distributed widecast, being sent to members of Congress, libraries, smaller colleges and other institutions.

The nominal selling price of the book at \$1 per copy would by no manner of means have covered the manufacturing costs of the book itself. The book was printed by a concern now known as the Redfield Kindrick Odell Company, Incorporated, 311 West 43 Street. The changes and corrections in the make-up of the book were very costly.

Dr. William Bayard Hale at the time the book was prepared was occupying offices on the 6th floor at 1123 Broadway. The manuscript was sent from this office to the printers. Proofs were returned to this office and representatives of the printers conferred with Dr. Hale there. These offices were provided for Dr. Hale by the German Propaganda Council and all the expenses pertaining thereto were paid by this body. Dr. Hale at the time of the compilation of this volume was a paid employee of the German Government.

The purpose of this volume is stated by Dr. Hale in the first chapter entitled "The First Encroachments" (pg. 5, col 1):

"It aims to afford materials for such study of American interests in at least one aspect—the aspect which, as the months draw on, emerges as perhaps the most anxious object of our concern; the vindication of the right of neutral ships to sail the seas on peaceable errands with innocent cargoes.

"Against Germany that right has been vindicated.

"It remains to assert it against Great Britain."

Dr. Hale then proceeds to discuss in a general way the subject of blockade and asserts that the British maritime policy was developed not only as a measure of war but for Great Britain's commercial gain and that Great Britain was exercising a tyrannical power at the expense of American citizens in order to assist her own merchants and capture American foreign trade. Dr. Hale specifically states, page 9, paragraph 5:

"So Great Britain confiscates our products on the way to our customers—and there proceeds to sell them herself at a profit for herself,"

In order to test the British rulings in regard to American vessels and if possible to embroil the United States and Great Britain, the German interests in the United States by indirection and through apparently American concerns or individuals sent to Germany two vessels, the Dacia and the Wilhelmina. The Wilhelmina was consigned to Hamburg with a cargo of food stuffs, and the Dacia was consigned first to Bremen and then to Rotterdam with a cargo of cotton. The Wilhelmina was captured by the British and sent to a prize court. The Dacia was seized by the French. The owners of the cargo of the Wilhelmina (the W. T. Green Commission Co. of St. Louis) made a statement to the American Department of State that the food stuffs on board that vessel were designed for the civilian population of Germany, and furthermore, Count von Bernstorff, the German Ambassador, communicated a guarantee to the U. S. Dept. of State that the cargo on the vessel would not be used by the Germans Government, its agents or contractors, nor by the naval or military forces.

Conferences attended by the members of the German Propaganda Council were held at this time and the advisability of securing from the Imperial German Foreign Office the guarantee that the food shipped on the Wilhelmina would be used only for the civilian population of Germany was discussed. Dr. William B. Hale was in attendance at these conferences. He was employed by the German Propaganda Council as an expert on International law. It was after his return to his office from one of these conferences that Dr. Hale made the statement to one of his assistants that the Wilhelmina was "a test case," and as he expressed it, "had been sent by our people."

On page 9 of this volume Dr. Hale states, paragraph 6:

"Great Britain refuses to recognize the registry awarded by the Government of the United States to ships purchased by American citizens, in good faith, for the sole purpose of relieving the distresses of our commerce."

In paragraph 8, on this same page, Dr. Hale reflects upon the administration of President Willson in the following terms:

"Thus the insolence of unrebuked naval power has been extended to our own waters."

The important point in this quotation is the use of the word "unrebuked."

The general tenor of the purposes for which this book was written and produced are indicated by the following paragraphs (page 9, 3 paragraphs):

"The exercise of intimidating arguments designed (successfully) to prevent the American Government's meeting the critical national necessity of an American merchant marine."

"The intimidation (at first by the hand of its ally, France) of American enterprise in the legitimate purchase of mercantile vessels to ply the seas under the protection of the American Flag."

"The chronology of the British war on American commerce is easy to master—the principle dates to learn are but three: August 20, October 29, 1914, and March 11, 1915. These are dates of three Orders in Council—for it is by the same method and in the same form as that which outraged our forefathers and finally provoked them to the War of 1812 that England today is closing the sea to our commerce."

The implication that the acts of the British Government were of a nature sufficient to provoke armed hostilities between the United States and Great Britain—that in fact actions of a similar nature had in our previous history provoked such hostilities—is continuously referred to throughout the book.

Coincident with this suggestion is the other one that the administration at Washington was either too weak or too prejudiced or too feeble to take action such as the circumstances warranted. This is clearly brought out in a paragraph on page 10:

"A year ago, when the above sentence was first written, it seemed a thing impossible that Britain would be permitted to forbid our selling the products of our farms to whom we would. She has been permitted to do it for a year, and the shock of the thing has passed. Yet surely, even though it has been endured for a year, it cannot be the settled policy of the people of the United States to submit to so intolerable an oppression."

Great Britain's alleged purpose of aggrandizement is stated in the following paragraph on page 12:

"Great Britain does not, however, now limit herself to 'war against commerce of every description between the people of a neutral and those of a belligerent State'; she has gone on to declare war against commerce of every description between the people of neutral States among themselves."

In the following paragraph Dr. Hale writes:

"The first steps in the hostilities against us were those considered above."

On the same page Dr. Hale again reflects upon the American Government in the following paragraph:

"Today the American Government is unable to assure merchant ships flying the American flag that they may cross the Atlantic to any port except by permission of the British Admiralty. Today an Iowa farmer or a Texas cattle raiser is forbidden, by the English Government, to sell his products to European customers whose families need food. Not a barrel of flour nor a ham can be landed in Rotterdam or Copenhagen without England's permission—which is unobtainable."

That Great Britain is waging economic war against the people of the United States is insinuated in the following paragraph, on page 13:

"England is assumed to be the enemy of Germany, not of the farmers, planters, and merchants of the United States. but it is the merest statement of fact to say that thousands of the citizens of the United States are being interfered with in the ordinary pursuit of their livelihood, not to say in the enjoyment of the ordinary comforts of life—and unnecessarily interfered with—by the economic war which Great Britain is waging upon the United States under the excuse of its war with Germany."

In carrying out the argument that American rights are not adequately protected by the Administration, Dr. Hale refers specifically to the case of the ship *Hocking* which was captured by the British while en route between New York and Norfolk. Commenting on this capture, Dr. Hale states (paragraph page 15):

"If this ship was not safe, no American coast-wise trading ship is safe. However, up to the present time, American vessels are permitted to navigate the Great Lakes and the Hudson River."

Dr. Hale sums up his indictment of Great Britain in the following paragraph, from page 15:

"The Government of Great Britain has virtually set up in the midst of the busy seas an arbitrary court, claiming unheard of powers and exercising the most tyrannous police functions; seizing and haling into the dock, as suspects, all travellers upon the ocean highways, and visiting many of them with heavy

penalties for unproven, and indeed unprovable, offences. This lawless assizes of the seas, contemptuous alike of its own precedents and of the rights of others, scarcely stoops to the pretense of citing authority for its actions, which are determined solely by its brutal will, and enforced, though indeed largely through intimidation, by the gigantic power of its naval police. The extent of the earth's surface over which this extraordinary court is permitted to wield its self-arrogated jurisdiction, the magnitude of the interests which its actions vitally affect, and the supineness with which sovereign States submit to the erection, upon the ruins of their self-respect and the debacle of their highest commercial and political interests, of an island's municipal statutes into international formulas, unite to render this one of the spectacles of history.

"A contemplation of that spectacle suggests that the hour imposes upon the United States a duty of supreme historical importance."

The last paragraph of this quotation deserves earnest consideration.

Dr. Hale presently dwells on the sufferings inflicted by the British on American concerns and upon his pet "made-in-Germany" theory that this action on the part of the British is designed to appropriate for their own merchants our trade. Furthermore, he implies constantly that the vacillation and weakness of the American government at Washington tend to assist Great Britain in this plan.

The following paragraph on page 16 sums up his argument:

"Shut off from direct relations with their legitimate customers, American merchants are thus rendered helpless in the disposition of goods and the establishment of prices. Thus American business abroad, fostered and developed for years at great expense, has been usurped by British interests which can themselves, under present conditions, without hindrance or competition, supplant American manufacturers."

In the following paragraph from page 22, Dr. Hale makes his usual charges against the British government and clearly states that the alleged sufferings of American shippers receive no attention at Washington:

"There are certain classes of crimes concerning which it is next to impossible to procure evidence. Murder is said to be the safest of felonies because the victim, who is often a sole witness aside from the criminal, is silenced. Dishonored women do not commonly make public their humiliation. Few indeed of the victims of English wrong-doing are *willing to furnish the facts for publication*. As for protesting and appealing to the United States Government, few now do even that, either because they have learned that their protests and petitions are of no avail, or that the United States Government will do nothing more than possibly put the case in a memorandum and send a Trade Adviser over to the British Embassy to chat with Sir Richard Crawford over it.

"The prostration of American enterprise before the domineering naval strength and commercial mercilessness of England, and acquiescence without hope of succor, are among the most discouraging features of the situation."

On page 28, Dr. Hale again reflects upon the Administration when he states in view of some alleged infringement of American rights that:

"The British Ambassador *was 'requested' by an official of the United States Government* to extend relief to the embarrassed shippers by adopting some rule that might permit such shippers, who had sold cotton to Germany before March 1st, to forward their cotton."

The following paragraphs are quoted in extenso from a chapter entitled "Our Larger Interests," beginning on page 43 and extending to page 46:

"Will the positions which the present administration has taken, during the progress of the European war, with reference to maritime warfare, bear inspection in the cool light of the best interests of the United States? *To raise the question is to make no reflection upon the patriotism of the administration*. Whatever may have been the ruling motives which determined them, there is some reason to believe that, from one cause or another, the government of the United States has taken a series of positions which, when scrutinized in the light of commercial and political possibilities of the future, work precisely the wrong way, so far as the interests of America are concerned.

"Consider:

"Should the United States ever become involved in war, the war would be one of defense on our part. The American people would not sanction a war of aggression abroad. No one contemplates aggression. We entertain no ideas of aggrandizement that suggest an aggressive policy. The most pronounced advocates of a big army and a big navy dare not urge more than a policy of 'preparedness' against attack.

"What, then, would be the effect of the policies of the present administration upon the ability of the United States to defend itself in a foreign war?"

"The foreign wars in which we might possibly become involved fall into the following general classes:

"(1) A war with some other power or powers on the American Continent.

"(2) A war with a European Power or a European alliance.

"(3) A war with an Asiatic Power or an Asiatic alliance.

"(4) A war with allied European and American, allied European and Asiatic or allied American and Asiatic Powers.

"1. Suppose we were engaged in war with another American Power.

"We have taken the ground that it is legitimate for the manufacturers of any nation to supply the armies of another nation with arms and ammunition. We have gone further than this; we have taken the position that for a power to deny the armies of another Power arms and ammunition would be unneutral: that is to say, that it is the duty of the people of one country to supply the armies of a belligerent Power with munitions of war. In a war between the United States and another American Power, it would consequently be the duty of European and Asiatic arms and ammunition manufacturers to supply our opponent with weapons with which to fight against us. But this is opposed to the interests of the United States.

"2. The case would be still worse in the event of a war between the United States and a European Power. *Under the precedents established by Mr. Wilson's Administration, it would be the duty of all European and Asiatic manufacturers to furnish arms and ammunition to the Power combating us. True, it would be their duty likewise to supply us with arms and ammunition. But these would never be delivered to us.* For, while the manufacturers of the various European and Asiatic countries would have no difficulty in transporting munitions of war overland to the army and navy of the European Power at war with us, they could by no means send them across the seas. *We have acceded, practically, to the proposition that a blockade may be laid anywhere; it is no longer necessary, under our admissions, that a blockade be laid before particular ports or that it be actually maintained by ships.* A torpedo boat or two in the Strait of Gibraltar, a few mines in the English Channel and the North Sea, and the Atlantic seaboard of the United States would be in a state of blockade. Not only no ammunition, but nothing else could get through. We should have all the ammunition makers of Europe and Asia furnishing our opponent with guns and shells, while we ourselves would be thrown upon our own resources.

"3. *In the event of a war with an Asiatic Power, that Power could procure overland from Europe all the munitions of war she desired, and it would be the duty of European Powers to furnish her with these instruments of combat. But it would be opposed to the interests of the United States to have Japan, for instance, supplied from Europe with arms to be used against us.*

"4. In the event of an alliance between European and Asiatic Powers—and this is precisely the combination of Powers most likely to envisage us—the situation would be far worse. All the arms manufactories in the rest of the world would be combined against the United States. We should probably not be able to get anything overseas into our ports.

"The biggest navy we shall ever, by any possibility, build would be none too big to guard our own extensive coasts. *We have—or Mr. Wilson's Administration has—made the submarine impossible as a weapon of defense, to say nothing of attack. Otherwise by far the most potent weapon of maritime defense thus far invented, we have declared it an illegitimate weapon.* The submarine, we say, must visit and search before it acts.

"*While the Government of the United States allows its people to be plundered by the new definition of contraband enunciated by Great Britain, it takes, with regard to goods of an actual and always admitted contraband character, namely arms and ammunition, a position of peculiar contrast to its meek admissions with regard to goods heretofore always considered innocent.*

"There has been some difference of opinion among nations and among authorities on international law as to the duty of a neutral government to prevent its subjects engaging in contraband trade, some contending that such a duty exists; others, including the United States, holding that the neutral State is under no duty to stop contraband exports, the punishment being in the hands of the belligerent adversely affected thereby. But probably never has a nation undertaken to protect its citizens in the contraband trade and to claim (what the United States Government claimed in its recent notes to Austria) that contraband trade is legitimate, and that the United States Gov-

ernment has no control over it, or that the attempt to exercise such control would be unneutral, and therefore impermissible.

"The net result of the positions we have taken, or acceded to with very mild protests, is the preposterous one that, while the Government of the United States has no control over its own trade, even its contraband trade, with belligerents, any belligerent that is physically able to exercise it enjoys complete control over *our* trade, even in the most innocent articles.

"Take again our position with regard to the activity of submarines. We assert that a submarine may not sink merchant vessels belonging to the enemy without 'visit and search.' But visit and search is a right and not a duty; a right, moreover, the assertion of which on the part of Great Britain the United States combatted for many years, finally going to war largely in its contention against it. Visit and search, furthermore, applies only to neutral vessels. *It was an unheard of thing until the United States Department of State invented it, that a belligerent was compelled to visit and search an enemy ship before dealing with it.* Visit and search was a privilege claimed with regard to a neutral vessel; never a duty incumbent upon a warship with regard to a belligerent vessel. Its purpose was that of ascertaining whether the suspected craft carried contraband. But there is no longer a necessity for that, because all vessels leaving our shores for Europe carry contraband—under the new all-inclusive definitions.

"We insist also that all merchant ships carrying contraband shall be free from attack until after it is ascertained that no neutral citizen or subject is on board. We have asserted that the life of this hypothetical neutral citizen or subject, who may be or may not be aboard, and who really has no right to be on board, is more vital than the right of the submarine commander to defend the lives of the soldiers of his country who are beyond all question in the trenches where they will be attacked by the ammunition which the spared ship is carrying.

* * * * *

"Considerable sentiment has been developed in the United States in favor of a larger army and navy by way of preparedness for future wars. But the increase of our army to half a million men and the doubling or tripling of the size of our navy will not serve to overcome the disadvantage we shall labor under in consequence of the precedents we are allowing Great Britain to pile up against us in her interpretation of the laws of the sea, and the precedents we are piling up against Germany in our interpretation of the laws of the sea.

"We shall probably never send an army abroad, at least not to the other hemisphere. Our soldiers will stay at home to defend our own territory. But suppose a European or an Asiatic enemy obtains a foothold in America, or an American Power undertakes to invade us; his munitions of war, in his own merchant ships even, cannot be attacked by our submarines, provided he brings a neutral passenger with him.

"As for our great navy, what good is a great navy unless it be the greatest navy? Great Britain maintains the right to have a navy equal to the sum of the two next largest navies in the world, plus ten per cent. Is it proposed to build a navy greater than the British navy? Is it for a moment believed that England would permit that? And even if England were to permit it, one need only take a glance at a map of the world on which is displayed Britain's widely-scattered and artfully-disposed naval stations to realize how very much greater indeed an American navy would have to be to hope to cope successfully even with a British navy considerably smaller. But, of course, our navy would not go abroad on aggressive expeditions. Its primary work would be to defend our territory—work that a navy of submarines could better do, if we had not ruled submarines out of warfare. We might, indeed, do some blockade work, but it is we ourselves who would be the chief victims of the blockade. Great Britain, for instance, by her control of the narrow passages through which the commerce of the world is forced to pass, could practically, without moving a ship, cut us off from all connection with the rest of the world. Because, remember, everything is contraband now, and a blockade may be thousands of miles away from the ports against which it is directed. And not England alone, but any other European naval Power could cut us off from Europe; while in conjunction with an Asiatic naval Power our enemy could absolutely close our ports."

Page 44 includes a map prepared under Dr. Hale's directions (and based upon a map used in a pamphlet by Dr. Dernburg) to bear out the substance of his statements in the last paragraph quoted.

The succeeding portions of the book contain "List of Ships Detained," the Declaration of Paris, the Declaration of London, Instructions to British Delegation to the Second Peace Conference (The Hague), The Orders in Council of which complaint had been made by the Germans, and a compilation of Diplomatic Correspondence. Dr. Hale says (p. 85):

DIPLOMATIC CORRESPONDENCE.

"The following papers are believed to contain all the important communications exchanged between the Government of the United States and that of Great Britain, with respect of the rights of neutral trade, so far as these are at present accessible. In addition are included salient communications exchanged with the German Government.

"When not otherwise indicated, the text of the papers is that appearing in the two volumes, dated respectively May 27 and October 21, 1915, and other memoranda published by the Department of State. For the text of documents which the Department of State has not seen fit to include in its publications, the only resource has been the daily press; but only communications officially allowed to become public have been noticed."

THOU SHALT NOT KILL.

[Published, 1915, under the imprint of The Organization of American Women for Strict Neutrality.]

(Inside Title page: "The Exportation of Arms and Munitions of War—Should the United States Government Allow it Or Forbid It? A Discussion.")

While counseling and conferring with the Teutonic agents, Dr. Hale early in 1915 undertook to carry out a widespread propaganda for the placing of an embargo on the shipment of war supplies to the Allies. Also Dr. Hale conferred with labor leaders, whom he sought to engage in propaganda for an embargo, and inspired and directed the activities of the so-called Organization of American Women for Strict Neutrality. Dr. Hale himself contributed writings, a conspicuous example of which is found in the pamphlet entitled, "Thou Shalt Not Kill."

On the inside cover of this pamphlet, Dr. Hale publishes a picture of the Bethlehem Steel Plant, under which is the caption, "An American Arms and Ammunition Factory (Bethlehem, Pa.)." Under this photograph is printed a picture showing dead soldiers (presumably Germans) lying on a battle-field, and under this picture Dr. Hale printed the caption, "The Product Of An American Arms And Ammunition Factory."

The major portion of this pamphlet consists of an article entitled "The Exportation Of Arms And Munitions Of War—Should the United States Government Allow it Or Forbid It?" This is signed "By Dr. William Bayard Hale, Author of: 'The New Obedience: A Plea for Social Submission to Christ;' 'A Week in the White House with Theodore Roosevelt;' 'Woodrow Wilson: The Story of His Life,' etc." The pamphlet also contains what was alleged by Dr. Hale to be a letter to a New York newspaper by "An Old-Fashioned Friend," which was a protest on religious grounds against the supplying by the United States of munitions to the warring nations.

This letter was signed "William Harlan." This fake production was composed by William Bayard Hale in his office at 1123 Broadway.

While in the throes of composition, Dr. Hale read extracts from the production to one of his assistants. Dr. Hale's pamphlet contained a short article by Charles Nagel, ex-secretary of Commerce and Labor entitled, "Our Right To Stop The Traffic." (Mr. Nagel delivered the eulogy at the death of Adolphus Busch, the St. Louis brewer, which was subsequently read into the Congressional Record by a representative from Missouri.)

Dr. Hale's pamphlet also contained excerpts from speeches or writings protesting against the sale of munitions to the Allies by Robert Marion La Follette, United States Senator from Wisconsin; Clyde H. Tavenner, representative in Congress from Illinois; Stephen G. Porter, Representative in Congress from Pennsylvania; part of an editorial from The Christian Herald entitled, "The Ghosts Of The Slain," and part of an advertisement "of a machine for making extra-fatal, extra-high-explosive shrapnel shells," which had been published in The American Machinist by the Cleveland Automatic Machine Company, upon which Dr. Hale made editorial comments under the heading, "America's Contribution."

Dr. Hale's pamphlet was widely distributed to clergymen of various denominations, to members of Congress, and many others throughout the country with the purpose of fomenting an agitation against the exportation of war supplies to the Allies. Fifty thousand copies of this pamphlet were distributed through the American Embargo Conference. Dr. Hale began his introductory article with the following statement:

"The war in Europe is now being fought in large part with ammunition provided by citizens of the United States."

Dr. Hale began the distribution of his pamphlet in the early summer of 1915, which was before the munitions shipped from America actually had reached the fighting front in any great quantity. In the course of his pamphlet, Dr. Hale cites statistics from the manifests of ships sailing from the port of New York. The last statistics referred to go up to the latter part of April, 1915. This would indicate that the pamphlet had been prepared some time before the middle of May. It is well known that the agitation against "American bullets" originated in Germany. Practically the first utterance in regard to "American bullets" was credited to Prince Rupprecht of Bavaria, who declared that thousands of German soldiers had been killed in the battle of Champagne by American manufactured bullets used by the French troops. The records of shipments by American manufacturers demonstrated that extensive supplies to the Allies did not reach the troops at the front until late that summer or early in the fall. The anti-bullet campaign originated in Germany and this pamphlet prepared by Dr. Hale was part of that campaign.

Dr. Hale's pamphlet, being primarily addressed to ministers, dwells upon the hypocrisy of Americans in having days of prayer while the manufacturing of deadly weapons was carried on. He specifically refers to the President's proclamation for the day of prayer on October 4, 1914, and the comments in the following paragraphs illustrate the aspersions indirectly cast upon the sincerity of the President and the American people:

"On October 4th, 1914, the religious people of the United States of all denominations, at the suggestion of the President, assembled in their places of worship and besought the Almighty to bring the war to the end. Was that action sincere? How does it comport with that apparently solemn petition to God to end the war, for us now to manufacture the shot and shell with which to continue it?

"There are some moral situations which are so clear that it is a mockery to attempt to becloud them. This would seem to be such a situation. If we do not desire the killing of men to cease, the people of America should not have appeared before God and prayed for peace. If we do desire it, we should stop selling weapons to the belligerents. To pray for peace and sell munitions of war is an inconsistency which surely requires a good deal of casuistical ingenuity to justify.

"Of course, if we want the war to continue, it is another matter. But, in that case, does not honesty suggest that we should cease prayers for peace? If we, for instance, desire to see Germans killed, we are perfectly justified in making weapons to kill them. If we really believe that Germany should be destroyed and are so fixed in that belief and so anxious to see it realized that we are willing to contribute to that end, we are justified in supplying Germany's enemies with weapons. Only, in that case, let us stop pretending to be neutral."

Dr. Hale plainly suggests that American manufacturers are allowed to make and ship munitions of war to the Allies because the American Government is disposed to confer "an advantage on England" and to discriminate against Germany.

On pages seven and eight, Dr. Hale says:

"No one in America dreams of openly making war on Germany. But would that not be more manly and more honest than to make war on her under the mask of neutrality? There is no suggestion from any quarter that, if American bullets kill Germans, German bullets would be justified in killing Americans. Germany has enough enemies to fight, without us, and there is not the remotest probability of that logic being carried to its conclusion. All the more, however, is it mandatory upon the conscience of America to face the sorry conclusion that we are in the position—hardly a manly or courageous position—of those who are waging war without accepting the responsibilities of war, as well as in the position of mercenaries who are selling for money their capacity for murder.

"If England did *not* control the sea, and *Germany* could buy arms of us equally with England, there is no doubt but the over-whelming sentiment of the country would demand the instant cessation of the traffic in arms. What then? Are we prohibited from a righteous and humane act, because the British navy is stronger than the German? Are we forbidden from following the mandates of our conscience to withhold deadly weapons from both sides, because one side has already seen to it that weapons are withheld by us from the other? Is an unrighteous and inhumane course of conduct to be persisted in because not to persist in it would be to stop conferring an advantage on England?"

On page nine Dr. Hale asserts:

"The Germans already truthfully allege that we are furnishing the Allies the bullets with which thousands of their sons and brothers are being slain."

Dr. Hale makes the plea that we cease providing weapons of death on religious grounds, as follows:

"If it is asserted that an embargo on the exportation of arms would act in favor of Germany, it must be in the same breath admitted that the continuation of the exportation of arms is acting against Germany and in favor of the Allies. This is, of course, the case. The argument is, then, that we should not continue doing wrong in one direction, because if we do not we shall be doing wrong in the other direction.

"The answer is that the wrong-doing lies in the providing of deadly weapons. So long as we continue furnishing instruments of murder, we do wrong: and all the more ignoble is the wrong if we furnish them to one side only. But the minute we cease providing weapons of death we cease doing wrong.

"It is not our concern which side, if either, will be benefited by our act or our failure to act. It is our concern, it is our only and our most solemn concern, to see to it that our act or our failure to act is itself righteous, humane, Christian. Not upon us rests the responsibility for possible effects. Those we may safely leave to a Providence, wiser than ourselves."

The circulation of Dr. Hale's pamphlet was designed to influence the clergy of America and to promote a religious protest against the shipment of munitions to the Entente Allies. Dr. Hale says on page 11:

"The United States is face to face with the necessity of deciding whether we are going to add to the death list or going to keep it down."

Dr. Hale indicates by listing the seven nations comprising the Allies the overwhelming odds against Germany, Austria Hungary and Turkey, and thus implies that the United States is affording unfair advantage against the under dog. Dr. Hale says (page 11):

"The fact is, the plain, practical fact is, that for the best part of a year by our willingness to manufacture deadly weapons for the gold of whoever would buy them, we have been conferring an unfair advantage upon one side to the war. It may be the side most of us look upon with favor; it may possibly be that we are seriously minded to continue conferring this advantage. The probability, however, is that most of us, whatever our private predilections, are unwilling, deliberately and after consideration, to have our country take a side, as practically it is now taking a side."

Dr. Hale comments on American neutrality, on page 11, as follows:

"We have been calling and thinking of ourselves as neutrals, all the while sending shells and cartridges to the armies of one side, because we thought we must. Shall we not consider? Shall we not reflect? Shall we not take counsel of our own reason, declining to accept the ready-made declarations of the recipients of the big war-order profits? Shall we not understand that neutrality means neutrality—and that it not only permits, but in truth requires, a Christian nation to keep its hands clean from the blood of men spilled in a quarrel not its own?

"Is it not a monstrous thing that a nation which calls itself enlightened, humane and even Christian, should manufacture implements of war and send them by shipload to enraged men bent on killing all they can reach whom they denominate 'enemies'? The people of the United States have no 'enemies'. We desire to see no one killed. Are we not false to every suggestion of humanity, are we not unworthy of our century, do we not make Christianity a thing of derision if, for the sake of blood-stained money, we take deadly part in the struggle in the result of which we continue to protest we have no interest?"

Dr. Hale charges that American corporations are interested in prolonging the war, and that our munitions trust will become a standing threat to the peace. Dr. Hale says (page 12):

"It is, of course, unnecessary to pay any attention to this argument for the sake of any effect it may have upon the minds of Christian ministers. No one will aver that the clergy of the United States are mercenary. But the subject is one upon which they should reflect and inform themselves, because the real reasons behind the campaign in defense of the war orders are mercenary. The American people are not making and selling shells and cartridges for the Allies because they hate the Germans. The American people are permitting a group of corporations to sell their shells and cartridges to the Allies because the corporations want the money they can get for the abominable things, and, wanting that money, have persuaded the people that there is no harm in making them. These corporations are interested in prolonging the war, and they are interested in convincing the country that the Allies deserve to be aided against the Germans; and, to advance their interests, they are using all their tremendous power over the press and over business. It is not good to have in this country a great capitalized interest in war. Such an interest has been born and is at work here."

Dr. Hale cunningly and pointedly uses the favorite German threat of the menace of Japan in the following paragraph (page 13):

"There will exist in the United States a vested interest in war so tremendous that any enterprise upon which it might set its mind would be in danger of realization. Every possible friction between nations will be promoted. Every possible alarm will be invented to induce the United States Government to keep itself armed on to the teeth. The Japanese peril will cease to be a mere bogie."

After alleging that America's share in the war is founded upon the American desire for dollars, Dr. Hale undertakes to argue for the establishment of an embargo on the same traffic on the following specious plea (page 13):

"Every German or Austrian our shells kill means one less customer for our goods, one less pair of hands to create wealth to be traded to us for our products."

Dr. Hale continues (page 14): "You cannot get rich by destroying wealth. You cannot do yourself any permanent good by killing off one set of customers at the behest of another set."

On page 14, Dr. Hale clearly implies that America has estranged the friendship of Germany and predicts German victory as follows:

"What folly for us to contribute to further demolition of wealth, to further loss of wealth-creating lives, what folly to estrange the whole Teutonic race! What folly in any view of the outcome of the struggle, and especially what folly when one reflects that there is such a thing as putting one's money on the wrong horse!"

Dr. Hale assails the United States Government on page 15 as follows:

"It is asserted that, whatever action it might have been proper for the United States to take at the beginning of the war, it would be a violation of our neutrality to make any change in our policy now. This feeble pretense might be indulged as the last-ditch argument of a criminal lawyer, but it is difficult to restrain the impatience at seeing it invoked, as it has been invoked, by high officials of the United States Government. Has the United States ever before held that an embargo on the exportation of arms during the progress of the war was a violation of its neutrality? On the contrary, it has repeatedly placed embargoes and removed embargoes, and made changes in its laws of neutrality, during the progress of wars, never dreaming that it was departing from its neutrality."

On pages 16 and 17, Dr. Hale summarizes the attitude of the Wilson administration in the case of Mexico. His thesis is that by refusing to sell arms to the Mexicans, the United States befriended Huerta and weakened Carranza, and that when this fact was brought to Mr. Wilson's attention the embargo was lifted. Dr. Hale then argues that if we have reversed our policy by first prohibiting and then permitting the export of arms to Mexico, we are justified by that precedent in forbidding the export of arms to the Entente Allies. In concluding this article, Dr. Hale on page 18 says:

"The declaration that it would be a departure from neutrality to stop selling arms today is a false declaration, by whomsoever it is made. Not a shred of international law, not a precedent, not an analogy can be cited in support of the preposterous assertion. It is inconceivable in any view of any international relations, it is antagonistic to every principle of national right, that a Sovereign State should be compelled to allow arms to be shipped from its port to anybody. It would be a feeble invertebrate of a nation indeed that submitted to such a

doctrine. Every nation in the world has at one time or another ordered its arms kept at home, for any one of a dozen possible reasons, and without explanation to anybody.

"The sole and only requirement of neutrality is that it shall affect both sides alike. It is arguable that our present policy is unneutral because it does not affect both sides alike, but, however that may be, there can be no question that the refusal to sell to either side is the completest possible fulfillment of neutrality."

(The following letter, received after Capt. Lester testified, is here printed in full in the record, by direction of the chairman:)

[Officers: Rev. H. G. Stub, D. D., chairman; Hon. John L. Zimmerman, vice chairman; Rev. Lauritz Larsen, secretary. Executive committee: Rev. H. G. Stub, D. D., Hon. John L. Zimmerman, Rev. Lauritz Larsen, Rev. G. A. Brandelle, D. D., Rev. F. Knobel, D. D., Rev. F. Richter, D. D., Rev. G. H. L. Schuette, D. D., Rev. H. A. Weller, D. D.]

NATIONAL LUTHERAN COUNCIL,
OFFICE OF THE SECRETARY,
811 WOODWARD BUILDING,
Washington, D. C., December 20, 1918.

The Hon. LEE S. OVERMAN,
Chairman Judiciary Subcommittee,
Senate Office Building, Washington, D. C.

DEAR SIR: With reference to the minutes of the proceedings of your committee last Saturday, I beg leave to submit the following to the attention of your committee:

The Lutheran Church has as long and honorable a history in our country as any church, dating back to colonial days (1638). The man who rang the Liberty Bell in 1776 was a Lutheran, as was also the first speaker of the House of Representatives. The church in America has always stood for absolute loyalty to the government of the United States of America, and the people of our church have always been willing and ready to shed their blood for the nation's principles. I am sure the percentage of Lutherans in the army and navy is as great in proportion to membership as that of any church.

It is therefore to be deplored that the impression has been created that it is a German or a pro-German church. It has 9,788 pastors, 15,266 congregations and numbers 3,639,208 souls in the United States. How many of these congregations are German language congregations, it is hard to say. Perhaps 30%. But in nearly all of these the English language is also used. What part our members of the church have taken in the pro-German propaganda, they have taken as German sympathizers, and not because they were Lutherans. The Lutheran Church should not be blamed any more than any other church for that which individual members have done under influence from without. Certainly no church authorities or officials have instructed the pastors to preach pro-German sermons or "passed the word down the line" that this should be done. Until our country entered the war, the church officials encouraged support of the President of the United States in his effort to keep the country neutral. When our country took up the battle for humanity, the church rallied to the flag.

During the war the Lutheran Church has given to the army and navy 81 chaplains. Over 100 more had applied for commissions. According to the records of the Adjutant General's office, not one of these has been court martialed for disloyalty, although the minutes of your committee give the impression that several are now "doing time."

The state church of Prussia is not Lutheran, and the Lutheran Church in America has had no connection with it. The former kaiser, his father, and grandfather were not Lutheran, but members of the Reformed Church. In 1817 the king of Prussia compelled the Lutheran Church to unite with the Reformed or Calvinist church and formed a union church officially known as the Evangelical Church. This church is also represented in our country, but has no connection with the Lutheran Church. Since 1845, the Lutheran Church has been tolerated in Prussia as a nonconformist church.

The Lutheran Church in America has never been subsidized by the Prussian state church.

With reference to Kropp Seminary, the following is submitted:

**"A STATEMENT OF THE RELATION OF THE GENERAL COUNCIL TO THE KROPP SEMINARY
MADE BY THE PRESIDENT OF THE GENERAL COUNCIL.**

The seminary at Kropp was founded in the year 1882 by Pastor Paulzen as a private institution for the training of ministers who should work in the Lutheran Church of America and especially in the mission field of the Northwest of Canada. As it was not advisable to have pastors serve in the Lutheran Church of America without any acquaintance with American conditions, the General Council entered into an agreement with the Kropp Seminary to the effect that graduates from the seminary should spend a year in an American institution. This was to acquaint them with American life and with American church conditions. This agreement was entered into in the year 1909. Furthermore, the General Council sent over to the Kropp Seminary an American Professor to introduce the students into American church life. A professor was sent in 1913 and ended his labors in 1916. During the year 1913, as far as is known, two candidates from the Kropp Seminary came to America. In the year 1914 two candidates and in the year 1915 none. The Kropp Seminary received from the General Council \$4,000 annually which included the salary of the above-mentioned professor.

(Signed) T. E. SCHMAUK."

It will be noticed that this was not a way of subsidizing the Lutheran church in America. Quite the contrary.

The position of the Lutheran Church on the language question is clearly set forth in the following resolutions adopted by the National Lutheran Council, which represents most of the Lutheran bodies in America, at its meeting in Columbus, the 11th of December,

"Whereas, for the past twenty months the great world war has justly demanded the best of the resources, the manhood, and moral support of our people—the American nation—and has been carried on with such signal effectiveness and crowning success for justice, liberty, and equality in all the world, and has now been brought to an honorable and victorious ending; and,

Whereas, we realize that the ending of the war has brought upon our people many pressing and difficult social, economic, educational, and religious problems, to the consideration and solution of which the best possible thought and energies must be given; and

Whereas, it is apparent that the question of international relations, of immigration and emigration, as well as the vital question of the proper assimilation and Americanization of the many foreign elements within our country, must be considered and just policies attained; now, therefore,

Be it resolved, by the National Lutheran Council in meeting assembled,

1) That we humbly and sincerely render our heartfelt thanks unto Almighty God, who has given our just cause such magnificent victory; who has raised up men and leaders among us successfully to carry out the great war and readjustment programme, and blessed them with the spirit of selfsacrificing service; who has prompted the men and women of our nation to rally to the support of these leaders with all the best they could give, and to give unsparingly; and,

2) That we express our gratitude to God and to the people of our Lutheran Church for the magnificent way in which they have supported the Government of our country in the past emergency, giving unsparingly of their money and produce, their manhood and womanhood, as an integral part of the American nation, for the successful consummation of our national programme; and,

3) That we rejoice in the splendid and prominent part taken by the members and pastors of our church in the unselfish work for the welfare of the men of our army and navy and the upbuilding and maintenance of the morale both of the military and civil population; and,

4) That we pledge our continued support to the president of the United States, as well as all other officials and agencies of the national and state governments, in every effort for the welfare of our country and the people of other nations who may be in need as a result of the recent war; and, we call upon the people of our churches to continue their liberal support of the government and other officially recognized welfare and relief organizations so far as possible, that nothing may be left undone which might help to bring lasting peace on earth and good will among men; and,

5) That we declare our hearty sympathy with all natural and sane plans for the Americanization of immigrant and foreign elements of our country, and

pledge our support to this work as an American church with nearly three hundred years of American history; and, as an organization peculiarly fitted for this work because of its constituency, character, and peculiar harmony with the institutions and principles of the United States, we call upon all pastors and members of our congregations to support such natural movement by encouraging the use of the language of the country in all public services where this can be done without neglecting in any way the spiritual care of such as must have the Gospel preached to them in the language of their childhood and youth to derive real benefit from it; and,

6) That maintaining the constitutional relation of church and state as separate institutions with divine sanction, yet having correlated functions, we call attention to the injustice and transgression which result from an inconsiderate attempt to infringe upon the liberty of the Christian to have the Gospel ministered unto him in a language which his heart and mind can best comprehend."

In order to avoid misunderstanding and that future historians shall not form a wrong impression of the position of a Lutheran Church in America during the war, it would no doubt be right that the letter be added to the minutes of your committee. I do not hesitate to ask for this, as I know that there is no intention on the part of your committee to do the Lutheran Church an injustice.

Respectfully submitted,

LAURITZ LARSEN,
Secretary National Lutheran Council.

In order that this statement shall be made for the entire Lutheran Church of our country, we hereby approve and endorse it in behalf of the Synodical Conference.

D. H. STEFFENS, *Chairman.*
J. FREDERIC WENCHEL,
Secretary Committee at Washington.

Capt. LESTER. I think that is all I have to offer.

Maj. HUMES. Are there any questions that the committee wants to ask Capt. Lester about any of the matters that he has testified to?

Senator STERLING. I want to ask him just one question relative to Dickinson alias Josiah Wingate. You spoke about his connection with the International News Service.

Capt. LESTER. No; with the Albert Press Bureau—I mean the Albert German Information Service.

Senator STERLING. Do you know his connection with the International News Service?

Capt. LESTER. Dickinson's?

Senator STERLING. Yes.

Capt. LESTER. I never found any connection with the International News Service of Dickinson. Dickinson worked entirely through Viereck, as far as our investigations showed.

Senator STERLING. I would like to ask Capt. Lester two or three questions in regard to some cartoons. Capt. Lester, in your investigations you have come in contact with the various forms of German propaganda, have you not?

Capt. LESTER. A great many of them.

Senator STERLING. Have you come in contact with the cartoon as a form of German propaganda?

Capt. LESTER. Yes, sir.

Senator STERLING. What would you say in regard to the use of the cartoon as a means of spreading propaganda?

Capt. LESTER. I think it is one of the most effective means of spreading propaganda that has ever been devised.

Senator STERLING. I call your attention here to a cartoon found in the New York American of July 2, 1917, some months after we

had entered the war. It is the picture of an American Beauty rose. In the rose and at the top are a number of money bags, indicated by the dollar mark on each bag. Just over the money bags is some kind of an insect, probably meant to represent a bee, and on the wings of the bee are these names, and over them what is meant to represent the flags of the various countries, England, Italy, France, and Russia, and the cartoon is meant to portray the idea that this insect is after the money bags found in the American Beauty rose. This was published shortly after the first Liberty loan. Now, what would you say would be the natural effect of a cartoon of that kind? For what purpose was it published, in your opinion?

Capt. LESTER. Of course, the purpose of the cartoon is to convey the idea that the humming bird or bee, or whatever is represented by the wings, is seeking the honey from the rose, which will wither away later on, while the humming bird returns with what it has gathered. The idea which would be conveyed to me is that it is a warning. I do not think that cartoon—you have asked my opinion—would be construed as literally preventing an intelligent person from subscribing to the Liberty loan, but I think it is a cartoon to warn people to watch out that we do not lose the nectar that we have here, and let the allies fly away with it. That is as far as I could consistently go in answer to your question.

Senator STERLING. I call your attention to another cartoon in the American—

Senator NELSON. Was the cartoon you refer to above, in the American?

Senator STERLING. Yes. I am not sure whether this one is in the American or not, but it is published by the Hearst publications.

“Montag den 18, Juni, 1917.” It is a cartoon of Uncle Sam, Columbia, and the Geld-teufel, which I suppose means the “money devil,” and the British lion, and the legend under the cartoon is as follows:

THE LION'S SHARE.

Columbia, standing at the window with a signboard “War loans to be had here,” is pouring her savings into the hat of the “Uncle of the entire world” while the British lion is gathering into the English crown the gold falling through the holes in Uncle Sam's hat. The hats of Belgium, France, and Italy have been filled up, and the Russian bear and Japan are coming to get their shares. Greed remarks: “Now there will soon be no more poor devils.”

What would you say might be the effect of a cartoon like that upon the popular mind, and what was the purpose of publishing such a cartoon?

Capt. LESTER. The effect on the mind would be that the American people were being used—that is, they were being made the object of—I can only express it in one way, that they were being used by the allies; that the only interest that the allies had in the United States was the money that they could get out of her; and if taken literally or believed, if a man was on the point of subscribing to liberty bonds and that cartoon was placed in front of him on the street car as he came to his office, the thought might go through his mind, “Well, after all, I think that I am being used personally, so I won't subscribe. I am not going to waste my hard-earned money for people that are filching it out of America.”

Senator NELSON. In other words, this was to show that the allies were milking the United States.

Capt. LESTER. That is the obvious purpose of that cartoon—to convey the impression that the allies were milking the United States for their own purposes, and we were getting nothing in return.

Senator NELSON. And England was getting the cream?

Capt. LESTER. And England was getting the lion's share.

Senator OVERMAN. Was that published while the bond sale was on?

Senator NELSON. Afterwards.

Senator STERLING. Just soon after the first bond sale.

I call your attention to another cartoon of April 16, 1917, entitled "America First." The cartoon contains a picture of John Bull at the left. On the right is a fine figure representing the United States Army, also an army in addition to this particular figure. I call your attention to this: John Bull is represented as saying "Are you training those boys to fight over here for me, Mr. Officer?"—the one particular figure represents an officer—and the officer is reported as saying "They are to be trained in defense of the American Nation only."

What would you think was the object, purpose, and probable effect of a cartoon like that?

Capt. LESTER. The object of the cartoon was to convey to the observer the thought that when our army was raised and drilled it should be used solely within the United States for defensive purposes. The effect, of course, would be to discourage the shipment of troops to the allies.

Senator NELSON. That was part of the German propaganda—

Capt. LESTER. Yes, sir.

Senator NELSON (continuing). That we had no right to take our National Guard or State militia out of the country; and there was a good deal of agitation going on in the West in some localities. I do not know whether you have ever heard of it or not.

Capt. LESTER. There is abundant evidence of that.

Senator NELSON. We had a case of that kind where a lodge meeting was held, and a prominent attorney and the mayor of the town both claimed and argued strenuously at a public meeting that we had no right to send American soldiers over to Europe, that the National Guard or the State Militia ought to be used in the country. The lawyer was disbarred by our Bar Association, and the mayor was removed from his place by the governor of our State.

Senator OVERMAN. Did not some Senators claim the same thing?

Senator NELSON. I think the claim was even made in the United States Senate.

Senator STERLING. I will ask you, Capt. Lester, if the cartoon just shown you, in its idea comports with the following from the American of April 11, 1917, following the declaration of war, but before the passage of the espionage act:

Every shipment of food and military supplies from this time on is a blow at our own safety.

Now, our honest suggestion to the Congress is that it imperatively refuse to permit the further drainage of our food supplies and our military supplies and our money supplies to Europe. We insist that none of these things, at this eleventh hour, when the U boats are already launched in silent death graph, can have any decisive effect one way or the other upon Europe's conflict.

If the allies are to win, they will, and they must win with what preparedness they have, for all we can send them now, can not possibly change the result.

On the other hand, if the Teutons are about to win, we need every ounce of food and every ounce of preparedness, and ten times as much, right here at hand to meet that peril.

What do you think would be the natural effect of a publication of that kind, and what was its purpose, in your opinion?

Capt. LESTER. If that publication had reached every man of mature age in the United States, and he believed it, there would never have been any supplies shipped to Europe from the date of this publication, or any Army or Navy go over there, and the obvious purpose was to convey the idea emphatically that it was not the proper thing for the Government to do.

Senator NELSON. What paper was that published in, Senator?

Senator STERLING. The American.

Senator NELSON. The New York American?

Senator STERLING. The New York American of April 11; and I call your attention to the following, published in the American of May 17, 1917:

Our part in this war, for months to come, is to pay the bills—to finance and feed hungry and bankrupt England, hungry and bankrupt France, hungry and bankrupt Italy.

All the allies are begging us for cash.

England wants money—in heaps—at 3½ per cent, while she pays her own people 5 per cent, and demands 5 per cent for the money she lends France, Italy, Russia, and Canada and Australia.

The Italian commission is here with a request for money. Serbia is begging for money. So is Roumania. So are Panama and Cuba. We suppose Mexico and Argentina and Brazil and Colombia will soon prefer their modest requests.

All the world seems to be headed toward our National Treasury. And Mr. McAdoo ardently believes in the Scripture which avers that the Lord loves a cheerful giver.

The German Empire went into this war with less than half the wealth of England and France. Germany has managed to get along without help. France is now begging us for millions. We do not understand why England, with much more wealth and income than either Germany or France, must be handed a scoop shovel and be told to help herself to our money.

What would you say would be the effect, if believed, of that article, so far as creating distrust or suspicion for England is concerned?

Capt. LESTER. Well, the effect of that article, if believed, would be an absolute severance of any commercial or financial relations with England, and refusal on the part of every American, through public taxes or otherwise, to contribute to the financial needs of England or the allies.

Senator STERLING. And this:

Our only correct strategy is to spend all our money and all our labor in preparing our Navy and our armies here at their natural base, and so compelling Germany, if she wants to fight, to come to us and see how she likes the taste of our granite.

To throw away our strategic advantage by sending our fleets and our armies away from their home base to be parts of a European offensive which has practically broken down is a blundering proposal that would make a real strategist gasp, and that will cost us dear if we accede to it.

Our money, like our armies and our fleets, should be concentrated at its home base and not dispersed abroad.

Senator NELSON. Is that in the American?

Senator STERLING. The American of May 17, 1917.

I would like to ask Capt. Lester if the natural effect of that, if believed, would not be to prevent any participation in this war on the part of America?

Capt. LESTER. Yes, sir; without a question that was the purpose of that.

Senator STERLING. Here is a short extract from an article in the American of July 5, 1917:

If, the allies, with American assistance, can thoroughly defeat the central empires, France is to regain Alsace, Poland is to be made an autonomous State, and England is to annex the German colonies in Africa and establish British control of Mesopotamia, Armenia, Palestine, Syria, and the Near East. In addition to these gains, Germany's oversea trade is to be so thoroughly crippled that it can not effectively compete with Great Britain's commerce and carrying trade for many decades to come.

In brief, the British Government's program, naturally and intelligently enough, is to make England the undisputed dominant power of the world.

Her colonial empire, already too vast for the safety of other nations, is to be hugely increased. What the British Government's proposal actually means is that no other people can trade overseas without having the permission of Great Britain, or without paying tribute to Great Britain.

Now, I will ask you if the natural effect of that, if believed, would not be to further create distrust and suspicion of England, one of our principal allies in the war?

Capt. LESTER. Unquestionably.

Senator STERLING. I call to your attention an article in the American as late as July 5, 1917:

We can imagine no statesmanship more futile than for us to exhaust our wealth, to endanger our prosperity, and to sacrifice our young men, not to equalize and stabilize the political relations of the world, but to pull down one power on the ground that it aims at dangerous domination of the world and then to place another power in the seat of world empire and world dominion.

To what other power is reference there made, in your opinion, from the previous excerpts which I have read?

Capt. LESTER. It is an obvious reference to England.

Senator STERLING. And what would be the natural effect, if that is believed, on anyone in America in regard to our ally, England?

Capt. LESTER. The obvious effect would be to create distrust and lack of support of the allies.

Senator STERLING. And what effect would it most likely have on the war, and the vigorous and successful prosecution of the war, if distrust of our principal ally was created?

Capt. LESTER. It would have the effect of deterring any alliance or association with England or the allies.

Senator STERLING. My attention has been called, Capt. Lester, to an issue of the North American of April 25, 1917.

Senator NELSON. Of the North American?

Senator STERLING. Of the American.

Senator NELSON. Of New York?

Senator STERLING. The New York American of April 24, 1917, and I read from the editorial:

Some of the blunders in contemplation and, we fear, in process of commission are, first, the loan of billions to the unstable and unestablished revolutionary Government of Russia, which may vanish any day in the storms of counter-revolution, whose imminent approach are heralded by so many signs; second, the complete subordination of preparedness for America's defense to supplying England's frantic demands for help; and, third, the steady entanglement of the United States in the web of European intrigues and ambitions, against which Washington so wisely warned us when living, and would warn us if he were alive to-day.

The painful truth is that we are being practically used as a mere reinforcement of England's warfare and England's future aggrandizement, and to all in-

tents and purposes are simply assuming the rôle of another Canada and another Australia—a crown colony rushing to lay all its sources and risk all its own safety for the sake of the empire.

It is not pleasant to have to say these things, but they are talked everywhere among the people and are the fundamental reasons why the war does not get along any faster among the people.

Senator STERLING. I will ask you if in your opinion an editorial like that was calculated to make the war get along any faster among the people?

Capt. LESTER. Decidedly not.

Senator STERLING (continuing reading) :

We say plainly in Washington that the whole people are ready to back up solidly, with all possible enthusiasm and with all their resources, to the last dollars and the last man, an American war for the rights and benefit of America, but that the majority, and the vast majority, too, are not disposed, to put it very mildly, to be enthusiastic over fighting a war for England, to save England from defeat, to reestablish her insolent tyranny over the seas that should be free, to put our Navy at her disposal, to strip our own people of food for her, to neglect our own defense against terrible dangers that may come in order that England may be safeguarded with American men, American money, American resources, and everything that is absolutely necessary to our own defense and safety.

Had that been published before we entered the war, how would you characterize it, Capt. Lester, as pro-German or not?

Capt. LESTER. Why that is a question, Senator, that requires an answer with an explanation which I feel perfectly free to give you so far as my opinion may be of any value. The editorial policy of the New York American, or rather Hearst publications, so far as it was formed apparently from information furnished by Dr. William Bayard Hale, while he was in Germany acting for the Hearst papers, was an editorial policy that was made and formulated in Germany, intended and designed to be spread through the Hearst publications in this country, and this information was sent out by Dr. Hale under the control of the German Government. If there had been in Dr. Hale's telegrams which were sent to the Hearst papers one scintilla of criticism of the German Empire, or the German war policy, or the Kaiser, or anything which hinted at remarks and statements reflecting upon Mr. Wilson and this Government, Mr. William Bayard Hale would have been guilty of a crime under the laws of Germany, and would have been dealt with summarily, without a question, and that is the reason that I stated to Senator Wolcott yesterday that after reading these messages twice—there are hundreds of them—not in a single one was there a statement that was anything but pro-German. That is a fact, also.

Senator STERLING. Since this was published after we entered the war, and since it is a bitter attack upon England, and intended to create suspicion and distrust of England, our principal ally in the war, would it be said to be other than simply pro-German?

Capt. LESTER. I think I will have to ask that your question be a little more definite.

Senator STERLING. I can not ask what might be called a leading question in a lawsuit, but I think here we have a little more latitude. Would it be called anti-American, since it was published after we entered the war?

Capt. LESTER. There is no question about that, the particular portion of the editorial being anti-American, contrary to the govern-

mental policies, contrary to the desires of the people as shown by the action of Congress, and contrary to the established policy of the Chief Executive, the President. It was anti-American.

Senator NELSON. And pro-German?

Capt. LESTER. And pro-German. That was pro-German in the sense that it favored the exact things that Germany was to accomplish by its propaganda system in the United States, as conducted by its direct agents.

Senator STERLING. Reading a little further from this same editorial:

We know right well the argument which those who are apparently interested in England's welfare more than America's welfare use to justify this subordination of our own preparedness and our safety to England's wants.

They argue that America and England are common foes of Germany and that we are only defending America by defending England.

But what about all these loud and jubilant assertions that the allies are crushing Germany—that they need only a little more time to smash the German armies and to dictate terms to the German Government?

The English Government and the English press tell us every day that such is the situation. Why, then, is it necessary for us to stop the construction of our new battleships, empty our storehouses of food, strip our Treasury of billions, and send our Navy and Army to save victorious England from these poor, beaten, starving, mutinous, despairing Germans?

Will some one kindly help our feeble-thinking machinery to make these two propositions square with one another?

Now, let us get down to brass tacks and business—for war is no time for academic theses or sentimental nonsense. War is purely a matter of business—and of swift, bloody, brutal business.

The huge armies which are now swaying backward and forward in France are in the last, gigantic grapple of the war. A few months—a few weeks, probably—will settle the issue upon land.

The submarine warfare that is being waged around England will either succeed in its purpose within a very few months or it will begin to fail, and the beginning of failure in that case is equivalent to an end in failure.

Within the few months that we are bound to settle the ultimate result of the war, even if they do not produce peace, we can not give any substantial aid of any kind at all that can possibly change the result of the present spring and summer campaigns on land or sea. It is impossible. Time does not permit.

The only help we can proffer is the use of our Navy, the use of our money, and the shipment of what food and supplies we can get through to England.

And we affirm, and we know that not one of our naval and military officers of standing and experience will deny, that neither our battleships nor our money, nor our shipments of supplies can have the slightest appreciable effect upon the decisive battle raging in France or can, in any substantial way, affect the predestined success or failure of the submarine siege of England.

It is too late.

Within 90 days one side or the other will be so definitely on the road to victory that nobody will any longer doubt the outcome.

And it seems to us that we ought to be looking ahead and settling upon what our demands and our policies will be.

We know, of course, that looking ahead and preparing for future emergencies is not usual in Washington; that it is a coincidence, and not a habit, when preparedness and emergencies happen to meet; that the theory of our statecraft is to wait till something happens and then look around to see what can be done in a hurry—and badly and expensively done, of course.

But we do think that some foresight and some preparation should be in evidence now.

I will not read further from the article; but taking it so far as I have read it, what would you say its effect, as a whole, would be?

Capt. LESTER. If every official in the Government service of the United States, including the Chief Executive, and every male citizen of the United States of the age of 18 and upward, had read that article and believed it, they would have quit—laid down.

Senator STERLING. And there would have been no unconditional surrender by this time?

Capt. LESTER. It would have been an unconditional surrender by the United States.

Senator NELSON. To Germany?

Capt. LESTER. Yes, sir.

Senator STERLING. Yes. I think that is all I want to ask along this line.

Capt. LESTER. I would like to make a statement in reference to editorials, advertisements by commercial houses, and propaganda, that will take but a minute.

The object of an advertisement is to convince a person to whom it is directed that he must buy the particular article to the exclusion of anything else.

The advertising agent's design is to convince 100 per cent of the people to whom his advertisement is directed that they must follow the suggestion of the advertisement.

The object of propaganda, whether conducted by Germans or anybody else, is to convince that 100 per cent that the statements they make are true and that they must believe them and govern themselves accordingly and act accordingly. The object of an editorial in a newspaper, where it is directed to action, or resistance to action, has the same identical object in view; it is to convince that 100 per cent. In other words, the message it carries, if accepted and believed by the person who reads it, is contained in the editorial for the purpose of obtaining the result of action or refusal to act. That may be a little involved, but the idea is identical in all forms of that kind of propaganda.

In answer to your question on this particular editorial, Senator, and others that have been called to my attention: The object of the editorial, or those responsible for it, whether it is the publisher or somebody that was directing the publisher's efforts, was to get action on the part of the person to whom it was directed, which is the public of the United States in this instance, or, on the other hand, to get that same public to refuse to act.

Senator OVERMAN. Is there anything else, Captain?

Capt. LESTER. I believe that is all.

Senator OVERMAN. Have you anything further, Maj. Humes?

Maj. HUMES. Gentlemen, there is one matter here that I will call attention to. There are some gentlemen present who are interested to be heard by the committee on this question of the reading into the record of certain editorials of the Chicago Tribune. There was a suggestion made, at a hearing last week, that certain editorials be read into the record. The gentlemen representing the Chicago Tribune are present, and they would like to be heard before these editorials are read into the record, by way of a protest.

Senator OVERMAN. A protest against their being put in at all?

Senator NELSON. They have not been put into the record.

Senator OVERMAN. They have been ordered put in.

Maj. HUMES. They were ordered to be put in, but the actual mechanical work of putting them in has not been accomplished.

Senator OVERMAN. They were ordered put in, and Maj. Humes was to read them and put in such parts of the documents as he thought

contained German propaganda. It was left to his discretion to read the articles and put in such parts as related to German propaganda.

Does this gentleman wish to be heard?

Mr. WEYMOUTH KIRKLAND. Yes, Senator; I would like to be heard for a few moments.

Senator OVERMAN. Had we better wait for the full committee, or hear him now?

Senator NELSON. I think we might as well hear him if he wants to make a statement.

Senator OVERMAN. Very well. We will hear you.

STATEMENT OF MR. WEYMOUTH KIRKLAND.

Mr. KIRKLAND. The Tribune has no desire, Mr. Chairman, to protest against this matter going into the record, but we would like to have the committee understand who compiled it and why it was compiled and the purpose of compiling it.

Senator OVERMAN. What has that to do with it—who compiled it or the purpose of compiling it? The question is: Do you protest against its being put in to the record, and is it not true? What difference does it make who put it in or who had it put in? The question is: Is it German propaganda?

Mr. KIRKLAND. The motive of the parties who prepared it, it seems to me, is material.

Senator OVERMAN. Suppose somebody had a motive against Hearst and had prepared all this stuff, is that any reason why it should not go into the record?

Mr. KIRKLAND. I would not care to pass on that, Senator.

Senator OVERMAN. I do not think we ought to hear anything about the motive of preparing it or who prepared it. What has that to do with it? Do you think it has anything to do with it, Senator?

Senator STERLING. Hardly.

Senator OVERMAN. The question, it seems to me, is whether this is German propaganda. If it is, is there any reason why it should not go in?

Mr. KIRKLAND. You understand, Senator, I am not here on behalf of the Chicago Tribune to protest against its going in. I do not know if my protest would be heeded or whether I have any right to protest; but we are not protesting against its going in.

Senator OVERMAN. We would like to have you make a statement, if you think it should not go in.

Mr. KIRKLAND. I do not make that statement on behalf of the Tribune that it should not go in; but I think this, that it was prepared by certain attorneys on behalf of Mr. Henry Ford, who has a lawsuit pending against the Tribune, and that was the purpose of its preparation, and that was the reason the lawsuit was continued, on behalf of the attorneys for Mr. Ford, over the protest of the Tribune, which has been trying to get the case to trial, and they prepared this document, and called it the war record of the Chicago Tribune picking out articles from the Tribune and certain editorials and parts of editorials that they think sustained certain propositions in their case, which, apparently, they wish to have tried in the newspapers rather than in the courthouse in Detroit.

We contend that it is not the war record of the Tribune, and that the only reason—we thought as attorneys for the Tribune that the motive of the men in preparing it might be of some material interest to the committee. I am not attempting to pass on whether——

Senator OVERMAN. I understand you claim that Mr. Ford is trying to get notoriety for this German propaganda in order to aid him in his suit, wherein he has sued the Tribune?

Mr. KIRKLAND. No; he has sued us for a million dollars libel, and the suit was to come up last Wednesday, on the motion of the Tribune, which has been trying to get it to trial. Over their protest it was continued, which is the second continuance. It was continued for various reasons stated, one of which was the sickness of counsel.

It was our opinion that it was continued in order to give them time to get out this pamphlet, not that Mr. Ford personally seeks notoriety for German propaganda—because I insist that that is not German propaganda—but that he preferred to have the case tried in that way, and to have the contents of that pamphlet get to a great many people, possibly jurors who might be called on in the case for the State of Michigan; and when it gets into the record it has the object that the gentleman who prepared the document evidently desired that it should have; it gets to a great many people who might not otherwise see it or who might not otherwise read it, and who might, from these few editorials that are taken, think that that was the war record of the Chicago Tribune. It might, undoubtedly, have the desired effect in the actual trial of the case, if we can ever get them to trial.

That is the only reason that we thought that the committee should understand that, when they consider that document.

Senator OVERMAN. The committee certainly does not want to hurt anybody or injure anybody in this investigation. It is not for the purpose of aiding Mr. Ford or anybody else. The only question, to my mind, is, Is it German propaganda?

We have a telegram here put into the record, from the German office, showing that the Chicago Tribune was friendly to Germany.

Mr. KIRKLAND. I heard that telegram read, Senator, and I would not say that it showed that the Chicago Tribune was friendly to Germany.

Senator OVERMAN. It said that it is.

Mr. KIRKLAND. That was a telegram to von Bernstorff.

Senator OVERMAN. I stand corrected on that. However, it stated it, as a fact, rather than an opinion.

Mr. KIRKLAND. Yes. I heard Capt. Lester read that yesterday.

Senator OVERMAN. Yes.

Mr. KIRKLAND. But they could take editorials from the Chicago Tribune, along in the days following and preceding the editorial that Ford's attorneys have picked out, which were decided proally.

Senator OVERMAN. I do not doubt that.

Mr. KIRKLAND. Yes. It was the desire of the gentlemen who prepared that pamphlet to show that the Chicago Tribune wished certain intervention in Mexico for the purpose of aiding Germany.

If they had gone back before the war, they would have found the Chicago Tribune was decidedly in favor of the same thing in Mexico before Germany was involved in war.

I did not come here for the purpose of asking the committee not to receive that at all, but——

Senator OVERMAN. What is your purpose?

Mr. KIRKLAND. I just wanted the committee to understand why it was prepared, and who prepared it.

Senator OVERMAN. So you have no objection to its going into the record?

Mr. KIRKLAND. No; I have no objection whatever.

Maj. HUMES. Do you mean why the editorials were prepared, or why this pamphlet was prepared?

Mr. KIRKLAND. Why the pamphlet was prepared.

Maj. HUMES. As I understand, it is not the purpose of the committee to put the pamphlet in evidence.

Senator OVERMAN. Not at all.

Maj. HUMES. But the committee was to put certain editorials from the Tribune in evidence, and until I could get a chance to verify them. I have not taken it up, because I wanted to make sure that the excerpts were correct; and I thought that possibly it would be necessary to put the whole editorial in, rather than excerpts, in order to be fair.

Mr. KIRKLAND. I think that is perfectly proper.

Maj. HUMES. Just as I asked you if you would furnish me with the full text of the editorial.

Mr. KIRKLAND. And I said that I would.

Maj. HUMES. So that when they went into the record, if they did go into the record, it would be fair to all parties concerned.

Senator NELSON. That is the best way. If they go in, put in the whole article.

Maj. HUMES. Yes.

Mr. KIRKLAND. I am perfectly willing to furnish you with them. The editorial is proper to go in, but I wanted the committee to understand why the pamphlet was prepared.

Senator OVERMAN. We do not want to aid any lawsuit or injure the rights of any man, but the question in my mind is whether the editorial is pro-German. If it is pro-German, I do not see why it should not go into the record, the same as any other pro-German editorial from any other paper.

Mr. KIRKLAND. I was not attempting, Senator, to tell you what you should let in and what you should not let in, at all. That was not my purpose.

Senator OVERMAN. I think I understand your position, and I believe you understand ours.

Mr. KIRKLAND. We do.

Senator OVERMAN. Now, Maj. Humes, is there anything else?

Maj. HUMES. I do not know that the committee will be interested in this. Some of these papers were left with me to go over during Mr. Bielaski's testimony. I have not read them into the record as yet. I can do that after the committee adjourns, of course.

Senator OVERMAN. Have you read these Tribune articles?

Maj. HUMES. I have read the excerpts, Senator. I have not been able to get the original text.

Senator OVERMAN. I wish you would examine them, and if you think they are German propaganda, let us see them, and we will decide this question later.

Maj. HUMES. I did not feel that I wanted to take a quotation or an excerpt from an editorial and read it into the record, assuming responsibility for just how it should be interpreted; and I wanted to get the original editorials themselves, so that I could see, then, just what the connection was.

Senator OVERMAN. I hope you will get the editorials, Major, and if you think they are in the interest of Germany, let the committee know, and we will decide hereafter whether we will put them in.

Maj. HUMES. Yes, sir.

Senator OVERMAN. Is there anything else that you want to put in?

Maj. HUMES. I believe that is all at this time, Senator.

Capt. LESTER. I wish to present to the committee a statement of various books, periodicals, and magazines published in Germany and widely distributed there, which were ordered by the International News Service to be shipped from Germany to the United States during the years 1915 and 1916, which were referred to in my testimony of yesterday. They are as follows:

LESTER EXHIBIT No. 26.

1. Gartenlaube, a periodical for youth.
2. Fliegende Blätter, a humorous publication.
3. Jugend—a periodical for youth.
4. (Klasing) and (Vilhagen's) Monatschrift—a political and scientific publication.
5. Ueber Land und Meer, an illustrated publication.
6. Daheim, an illustrated family paper.
7. Der Wahre (Jakob), a humorous publication.
8. Buchhalle, a book review.
9. Für Alle Welt, an illustrated popular weekly.
10. Fremdenblatt, a political publication.
11. Simplicissimus, a humorous paper.
12. Brummer, a humorous publication.
13. Berliner Tageblatt.
14. Die Wache, an illustrated magazine.
15. Lustige Blätter, a humorous publication.
16. Zukunft, Harden's magazine.
17. Kaiserkalendar, a calendar.
18. Leipziger Illustrierte Zeitung, this is a very widely distributed standard publication.
19. Hamburger Wache, an illustrated weekly.
20. Berliner Illustrierte Zeitung.
21. Echo, an illustrated weekly.
22. Modenwelt, a fashion magazine, and
23. Interessante Blatt.

I also desire to put into the record at this point the following messages from the International News, giving orders to various concerns in Germany for shipment to America of quantities of the above publications:

Capt. LESTER. The following radios passed between Dr. Hale and Mr. William Randolph Hearst:

LESTER EXHIBIT No. 27.

Recd. from S. S. Berlin Via. Nauen Date: 9-15-16
To RANDOLPH HEARST
New York

Have secured you American rights Captain Koenigs book provided following arrangement satisfactory Colon manuscript approximately thirty thousand words delivered me September twentieth stop we pay cost translation and agree

1818 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

cable approximately ten thousand words for serial use during month or so required for full text reach American by submarine stop you have American rights both English German texts two sets mats latter being forwarded stop profits sale this book go to pension fund Oceanreiderel stop they demanded large lump sum but finally agreed basis royalty for which they await your offer hoping it liberal as possible stop they expect first high class edition book sell for about dollar quarter followed by cheaper popular edition stop book is signed by Koenig is in first person and first five chapters read well stop can send you instalment within a week and first publication possibly in Sunday paper will synchronize with event adding interest to story stop tis stipulated that special courtesies be extended Staatszeitung and Fatherland and expectation is your royalty offer benefit pension fund liberal

BAYARD HALE

LESTER EXHIBIT No. 28.

From Jx NYK 15 Date Sept 16/16

To BAYARD HALE

American Correspondent Berlin

Desire to donate entire profits of all koenig book to pension fund would like to publish all or large part of book in sunday american believe sunday publication will help rather than hurt sale of book

HEARST AMERICAN.

LESTER EXHIBIT No. 29.

Recd from S. S. Berlin Via. Nauen Date 9-22-16

To WILLIAM RANDOLPH HEARST

New York

Berlin twentyone your generous offer donate profits Deutschland book deeply appreciated stop no objection publication almost entire Sunday American stop tis hoped however publication begin soon how much shall I cable stop hope first edition be handsome cloth volume

BAYARD HALE

Senator OVERMAN. We will take an adjournment now until Tuesday at half past 10.

(The subcommittee thereupon, at 1.10 o'clock p. m., adjourned until Tuesday, December 17, 1918, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, DECEMBER 17, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Wolcott, Nelson, and Sterling.

Senator OVERMAN. I have here a letter, addressed to me, from Mr. Morris Jastrow, jr., which he desires to be incorporated in the record, and, at the request of Senator Penrose, I direct that it shall be.

(The letter referred to is here printed in full in the record; as follows:)

248 SOUTH TWENTY-THIRD STREET,
Philadelphia Pa., December 11, 1918.

Hon. LEE S. OVERMAN,
Chairman of the Senate Judiciary Committee,
Washington, D. C.

MY DEAR SIR: In view of the fact that my name appears in a long list that was published in the press of this country a few days ago, said to have been found in the diary of a certain Dr. Fuehr, (agent of the German Embassy at Washington), that was laid before your Committee, I beg to submit the following statement in earnest protest against the unwarranted use of my name, and in explanation of my attitude towards the war.

I do not know Dr. Fuehr, and never heard his name until I saw the publication in the newspapers above referred to. I never had any connection of any kind with the German Embassy or with any kind of German propaganda, or any other kind of propaganda, before, or during, or since the war. The use of my name in the diary was, therefore, entirely unwarranted, and I beg to submit that the Department of Justice, before allowing that diary to be brought before your Committee as evidence, should have given those whose names appeared therein an opportunity of making an explanation. It is not fair to citizens in good repute to have their names published far and wide through this country as connected with a propaganda with which they not only had nothing to do but which they strongly condemn, in common with all other fellow-citizens. I venture to think that it is the duty of a Department of Justice to protect citizens against unfounded implications, as much as it is the function of such a Department to expose persons who are guilty of misdemeanor.

As for my own attitude towards the war, I wish to say that at the beginning of the conflict in 1914, after my return from Munich, where I spent the summer of 1914 engaged in research in my chosen field, I wrote a number of articles which were published in the Public Ledger of Philadelphia, and some letters which were published in The New York Evening Post and The Nation, which were mainly concerned with "a plea for fairness and moderation" (as, in fact, I entitled the first article) regarding our judgments about the war. These articles and letters were written entirely of my own initiative and solely with a view of presenting certain facts and views which I thought might be of value and interest to others on the subject that was occupying the attention

of the entire American public. My chief aim was to counteract the tendency which I regarded as unjust, to turn every incident and occurrence of the war to the disadvantage of Germany and to blame her for things which could not be laid at her door. The tone of these articles was moderate, and I may say that in the very first one I condemned the violation of Belgium. At the same time they indicated a sympathetic attitude towards Germany, the result of a strong intellectual attachment to that country, due to the training that I had received at German universities (after finishing my college course at the University of Pennsylvania) and further strengthened my repeated sojourns in that country, more particularly in Munich.

My attitude received a shock when reports concerning the treatment of Belgium by the German government and soldiery were confirmed, and this sympathy was entirely dispelled by the sinking of the *Lusitania*. Shortly after that inhuman act, I published in the New York Evening Post, of June 6th, and likewise in the Public Ledger of the same date, an article expressing my horror of the act, and appealing to the friends of Germany to recall to her "her obligation to the world and to herself as one of the standard-bearers of civilization." Instead of making amends for her brutal act, Germany continued in her course which lost her the sympathies of those who still believed in her at the beginning of the war and forced them to become her enemies.

Since that time I have published two books on the war, (1) "The War and the Bagdad Railway" (Philadelphia, Lippincotts, 1917) and (2) "The War and the Coming Peace" (Philadelphia, Lippincotts, 1918), in which I set forth incidental to my subject, in clear and unmistakable language my attitude of opposition towards Germany's policy, as revealed in the course of the war, and my horror at the brutal manner in which she was conducting the war. I may refer you more particularly to the statement found on pages 124-126 of the former book, and on page 32 *seq.* of the latter, in which I condemn in unmeasured terms Germany's inhumane conduct, and mention specifically the insidious propaganda and the elaborate spy system organized by her, as part of a system that converted the war into a struggle for a great moral issue waged by the Allies and ourselves to save the world from the menace to liberty and civilization.

In view of this I feel justified in asking your Committee to be kind enough to include this statement in your records, and to ask also for your protection against the further unwarranted use of my name. For your further information, I beg to call attention to an error in the published list from Fuehrer's diary, in which I appear as being connected with the University of Wisconsin. That is not correct. I have never been connected with that institution, but have been associated, as a member of the faculty, with the University of Pennsylvania, and as Librarian of that institution, for almost thirty years; and I may add that I have resided in Philadelphia ever since my fifth year. The error furnishes a further illustration of my contention that the Department of Justice, before submitting material as evidence, should first ascertain the facts.

I have the honor to be, Sir, obediently yours,

MORRIS JASTROW, Jr.

Senator NELSON. I have a letter here from Rev. Paul Ludwig which I desire to have incorporated in the record.

(The letter referred to is here printed in full in the record, as follows:)

BARRINGTON, CAMDEN COUNTY, N. J., December 15, 1918.

The Honorable KNUTE NELSON,

United States Senator, Washington, D. C.

SIR: You having been mentioned in certain newspaper reports as a member of the Senate Committee for the Investigation of German Propaganda, I take the liberty of addressing you regarding a matter which has come up before your committee, and which needs to be corrected.

In to-day's issue of "The Philadelphia Record," first page and first column under the glaring headlines, "Propaganda Plots reach to Pulpits—German Lutheran Ministers accused of Preaching Pro-German Sermons, Penitentiary for Some," etc., it has been reported that Captain George B. Lester, of the Army Intelligence Service, has made the following statements before your committee:

"That the German Government for many years had subsidized the Kroeber Institute, a Lutheran theological seminary, graduates of which went to "

parts of the world to preach in favor of Germany, with their expenses paid by the German Government."

If Capt. Lester has been quoted correctly, he unjustly brands by these statements about 200 faithful Lutheran pastors in the United States and Canada as paid agents and active propagandists of the former German Government. Many unjust suspicions have been aroused and many actual persecutions have been enacted during these times of passion and hate against ministers of the gospel who were unfortunate enough to serve German-speaking congregations; but such specific accusations are about the worst along these lines, and I for one am not willing to let them go unchallenged, nor to be stigmatized as a traitor to this country to which I have sworn allegiance many years ago.

Please permit me to give you the facts in the case, which I am in a position to know, as I have been a student in the seminary for six years.

Early in the eighties of the last century, when the German emigrants came to this country in very large numbers, the American Lutheran church sent urgent appeals to the Lutheran church in Germany to help in taking care of these newly-arrived Germans, for whom the American church was unable to supply German-speaking ministers in sufficient numbers. In response to these appeals the seminary at Kropp was founded, as a pure work of faith and an absolutely private undertaking, in an obscure village in Schleswig-Holstein and by an unknown village pastor in the year 1882. It continued its work until 1916, when the death of the founder and the war conditions put a stop to it. About 200 graduates from this institution have come to the United States and Canada, the great majority of whom have become loyal citizens of these countries, and use the English language as well as the German in the performance of their ministerial work.

The seminary was supported by the tuition fees of the students and by benevolent contributions from Lutherans of Germany and America. It did not receive any subsidies or support whatever from the Government. The government was rather antagonistic to distinctively Lutheran institutions of this kind, as being in a sense opposed to the non-Lutheran Prussian state church. And the founder and principal of the seminary has even been imprisoned twice for criticisms of the government.

The graduates did not go to all parts of the world "to preach in favor of Germany." They are not political agents of Germany or any other country, but consider themselves servants of the Kingdom of God. No matter what their political or national sentiments may be they, together with all other Lutheran pastors have too high a regard for their divine calling as to bring such matters into the pulpit. The Lutheran church insists clearly and strongly upon the separation of church and state.

The greatest injustice is done to these pastors in the statement that their expenses were paid by the German Government. I am personally acquainted with at least half of their number, but I do not know of a single one who ever received a single penny from the German Government. The very idea is so utterly ridiculous to every one who knows the true conditions as to make one laugh, if it were not at the same time so maliciously unjust as to bring the bitter tears of helpless innocence into our eyes.

It may not be possible that "audiatur et altera pars;" but even if this letter of defense does not reach all who heard the accusations, at least one member of the committee shall know the truth.

I am, sir,

Yours very respectfully,

(Rev.) PAUL LUDWIG.

Senator OVERMAN. I have also a letter here from Mr. Merrill, the manager of the Hearst papers, which I shall first read, and may put in later. He is entitled to be heard, of course. Are you ready to proceed, Maj. Humes?

Maj. HUMES. I see that Mr. Samuel Untermeyer is here. He asked to be heard, and this is the time fixed for his hearing.

Judge AARON J. LEVY. Mr. Chairman, may I ask the indulgence of the committee for a moment? I am Judge Aaron J. Levy, of New York. I likewise asked for an opportunity to be heard. I am a judicial officer in the city of New York, of rather pressing activities, and

if the committee will indulge me, and Mr. Untermeyer will pardon me. I would like to be heard first, so that I may get back to my labors.

Senator OVERMAN. If that is satisfactory to Mr. Untermeyer, it will be satisfactory to the committee.

Mr. UNTERMEYER. Certainly, that is satisfactory to me.

TESTIMONY OF JUDGE AARON J. LEVY.

(The witness was sworn by the chairman.)

Senator OVERMAN. What position do you hold?

Judge LEVY. I am president justice of the municipal court of the city of New York.

Senator OVERMAN. You may proceed, Judge Levy, with what you have to say.

Judge LEVY. In amplification of my wire to Senator Overman, yet with all possible brevity at my command, I wish to state that after an effort with my friend, Dr. James F. Dorr, of Florida, at the request of Mr. Miller, in the late spring of 1915, to secure help for Mr. Miller in support of the Leader, which began publication in March of that year in opposition to Warheit, although he had 47 per cent of the stock in the latter, he again asked me to intercede in his behalf and go to the leader of the Democratic Party in the city of New York and suggest the purchase of an interest in the Leader. The Leader was owned, edited, and published by a close corporation, in which Mr. Miller practically owned all of the stock, and, therefore, the Leader was in the exclusive control of Mr. Miller. I did this, as he requested, and learned that the Democratic Party in New York had no funds for this purpose, but it was suggested to me that since I knew Mr. Untermeyer, and since the person speaking told me that Mr. Untermeyer thought well of me, I might approach him; that he had confidence in the business judgment of Mr. Untermeyer; and if Mr. Untermeyer said it was a good business proposition this leader would be willing to personally join him. I told this to Mr. Miller, and also that I did not wish to presume upon my friendship with Mr. Untermeyer in this respect. Mr. Miller said that his condition was desperate, and he would be obliged to go into bankruptcy and ruin, and would probably lose his Warheit stock, which was then pledged with Mr. Jacob N. Schiff, of New York, of the firm of Kuhn, Loeb & Co., for \$35,000, which sum Mr. Miller had invested in the Leader; that his creditors were pressing him; and I yielded.

I saw Mr. Untermeyer with Mr. Miller some time after the middle of August, 1915. Mr. Untermeyer heard Mr. Miller out and advised him not to borrow this money, which he requested, since he would lose it. I urged Mr. Untermeyer to assist Mr. Miller. Mr. Miller stated that he would give as collateral his Warheit stock, which he would redeem, and 45 per cent of the Leader stock, retaining 45 per cent for himself, and leave the remaining 10 per cent with some third person mutually agreeable, to hold the balance of power, recommending that I be made such third person. To this I demurred telling Mr. Untermeyer in Mr. Miller's hearing that I did not wish to be involved in possible controversy, knowing of Mr. Miller's difficulties with his former partners in the Warheit. Mr. Miller argued that there was no reason for such apprehension, and, unless he received

aid by the following day, he would be obliged to shut down publication of the Leader. Mr. Untermeyer then said to him, "I think your proposition hopeless, but I am willing to help you on account of Aaron." Referring to me, that being my first name. "Turn this over in your mind overnight and let me know to-morrow. If you feel then as you do now, I shall help you." The next evening Mr. Untermeyer called me on the phone and expressed great surprise at a letter, Senator, which was made a part of the letter to you, addressed to Mr. Untermeyer, on the date of August 19, 1915, and Mr. Untermeyer said to me that he could not understand that letter of Mr. Miller's. I could not understand it either, and later asked Mr. Miller about it. Mr. Miller said, "It can not do Mr. Untermeyer any harm, and may be of service to me in the future." I was indeed very angry, and Mr. Miller plainly saw I was, and attempted to conciliate me.

About March, 1916, Mr. Miller came to me again and wished me to help him find some one who would take his Warheit stock off his hands. He told me that Mr. Schiff, with whom the stock had been pledged, was pressing him rather hard, and had demanded payment several times, the last demand being evidenced by a writing. He showed me that writing and said that he was obliged to sell many of his household effects, and from other sources I learned that a public auction was being held at his home at 590 Bedford Avenue, Brooklyn—I think the number is—and that the auctioneer's red flag was hanging from his front door. I sympathized with Mr. Miller, but could see nothing that I could do for him. He suggested that I purchase his stock in the Warheit, stating that he would make the offer very reasonable. He knew full well that I had no funds to meet his wish. Perhaps he had it in his mind that I could borrow. He left me, insisting that I should look into his proposition. A little later Mr. Paley, who was one of his associate stockholders in the Warheit, and who has since become president of that corporation, whom I also knew very well for many years, called on me to find out if I would talk to Mr. Miller, Mr. Miller not having been identified with the Warheit for approximately a year and a half, to learn if Mr. Miller would dispose of his stock, as the stockholders were very anxious to get rid of him because he was doing everything to injure the Warheit. Mr. Paley did not know that Mr. Miller had approached me first, and so I told him. I told him that Mr. Miller offered me the stock, and that I had told Mr. Miller that I had no money with which to buy it. He asked me if I would talk to Mr. Miller again, and I did, and Mr. Miller asked \$55,000 for this block of stock.

I reported this to Mr. Paley, and he suggested that we buy it in partnership and asked me to go to Mr. Schiff and ask Mr. Schiff to continue the loan of \$35,000 which he had made to Miller, against Paley and myself, rather than against Miller, on condition that we repay with the earnings of the Warheit annual installments. I did not feel that I had a right to call on Mr. Schiff for any such favor as this, and then he advised me to go to Mr. Untermeyer. He knew of my relations with Mr. Untermeyer. We both went to see Mr. Untermeyer, and on hearing Mr. Miller's name, Mr. Untermeyer refused to have anything to do with the matter. Finally we were afforded an opportunity of explaining. Mr. Paley insisted that the proposition was

good business, that we would give any form of security that Mr. Untermeyer wished, and besides it would be of service to us all. Thereupon Mr. Untermeyer said that he would call up Mr. Schiff in our interest and endeavor to get him to continue the loan. Failing in this, he said that he would let us have the money. He called in his secretary later, a Mr. Hoffman, and instructed him to advance us the money we required, with interest at 6 per cent per annum, payable semiannually, principal at the rate of \$5,000 per year for five years, when the remainder would become payable, leaving the matter of the form of security to me. I told Mr. Untermeyer that we wanted him to have all of our holdings as security. He told us the reason why he called his secretary, stating that he was then a member of the United States section of the High Joint Commission to South America, and he would be obliged to leave the country very soon and would probably be absent when the consummation of this deal should take place.

I then resumed by negotiations with Mr. Miller early in May of 1916, and on the 5th day of that month we closed the transaction for \$50,000 in Mr. Untermeyer's absence and at his office, or rather at the office of a Mr. Herman, who was a partner in profession of Mr. Untermeyer, Mr. Untermeyer not yet having returned from his South American visit. I paid \$5,000, Mr. Paley paid \$10,000, and the \$35,000, the difference, came from Mr. Untermeyer's secretary, Mr. Hoffman. We have since repaid Mr. Untermeyer \$15,000 of the \$35,000, leaving owing to him \$20,000, which I hope we will soon be able to liquidate.

In Mr. Miller's letter to you, Senator Overman, he states that he never transferred the stock to me, but rather to a Mr. Herman, Mr. Untermeyer's managing clerk, and lays claim to a conversation with me on our return from the office of Kuhn, Loeb & Co. This is all pure fiction. Mr. Miller sold me the stock, as is evidenced by certain writings in my possession, and I did not go with him and Mr. Herman, or with either of them, to the office of Kuhn, Loeb & Co. It was Mr. Hoffman, and not Mr. Herman, who, in company with Mr. Miller, did go to that office. It is quite apparent, therefore, that I could not have had any such conversation as he lays claim to. He urges also that he was driven from the Warheit because of his strong pro-ally tendencies. This, likewise, seems to me to be fiction. My attention was recently drawn, by my associates in the Warheit, to section 2 of article 3 of its by-laws, which were drafted by Mr. Miller himself, he being a member of our bar, and his associates all being laymen. That provides as follows:

SECTION 2. The president of the corporation shall ex officio act as the editor in chief of all the publications of the company, and as such he shall have exclusive control over the staff, the contents, tendencies, form of all the publications of the company, and he should have the sole and exclusive right to engage and discharge writers, determine their compensation, and manage, edit, and supervise the publication of the company to the best of his own abilities and judgment, and to account for his acts to the stockholders at their annual meeting.

This by-law was never modified or amended, except by the voluntary act of Mr. Miller, who resigned his position as editor in chief by the following announcement, which he wrote in his own hand on November 23, 1914, after his then associates refused him an increase in salary:

With deep regret the publishers of the Warheit inform its readers that our editor, Mr. L. E. Miller, has been ill for sometime and decided to resign from the Warheit as editor. The paper which has recently been edited by our well-known city editor, Mr. I. Konikman, will hereafter likewise be edited by him. Meanwhile, Mr. L. E. Miller will remain president and director of the Warheit Publishing Company.

The original of this after its publication in the Warheit remained and still is part of the files of the Warheit, and may be submitted if called for. I repeat, this is in Mr. Miller's own handwriting. It is quite apparent that Mr. Miller was free under the by-laws to do as he pleased, and obviously his resignation was not due to interference with editorial policy, or any other policy. However, as evidence of the very strong proally sympathies of Mr. Miller, I wish to quote from several issues of the Jewish Leader, which, as I said before, was edited and published exclusively by him in opposition to the Warheit, and because, as he said, he could not have his own way in respect to proally matters in the Warheit. These I have picked at random from a mere cursory glance over the files of that paper.

In the issue of Thursday, May 20, 1915, but a few months after he resigned from the editorship of the Warheit, there appears an editorial entitled, "Story about Banker Speyer." That is the name of a banker, I take it, and there follows a very bitter arraignment of England. In that he stated that there is no doubt that the noble lords of England are not any better than the degenerates and low lives that attack the innocent Jews of White Chapel, and the reason is that England is a comrade of Russia, and here I might tell you that all of the proally tendencies I have observed in Mr. Miller's journalistic endeavor lay in three editorials he had written while associated with the Warheit in favor of Russia, and none of the other allied countries, and you will see how important that is as I develop the points, and I wish very serious thoughts given to them. Quoting now his exact words, he says:

It is impossible to be a comrade of Nicholas and not be a Hooligan. In the days of Beaconsfield, when England was far from Russia, no massacres of Jews were made, not on the poor, and not on the rich. Today, when England is an ally of Nicholas, she must do as Nicholas does, she must make massacres, she must preach against the Jews.

In the issue of Sunday, June 6, 1915, in an editorial headed, "Jewish sympathy for Germany," he says:

We are not German agents, we are not sold to the German Government, but we declare that England has not done its duty to the Jews. What did England do, and what stand did it take on the bloody massacres of the Jews in Russia, her comrade in battle? Did she protest against the massacres of Nicholas's army in the towns and villages of Nicholas's country? No, England did not do anything of the kind. She did not have a word to say about the Jewish massacres in Russia, not only that, but at the first opportunity a series of massacres against Jews was arranged for in England. We believe that English Jews should be English patriots, just as the German must be German patriots and the Austrian Jews must be for Austria. Nobody in the world, however, will give England the right to complain against the Jews of America when on certain occasions they forget their duties of absolute neutrality.

In an editorial of Saturday, 19th of June, 1915, he declared that the Jews of Austria are extremely patriotic and are willing to sacrifice their lives for their country, and, quoting his exact words:

The reason is simple, because the Jews in Austria were treated like citizens, and their rights are secured. But the Jews must hate Russia because Russia does not treat them in a humane manner.

In an editorial of Thursday, June 24, 1915, under a headline "Przemysl and Lemberg," there appears the following:

What concerns us Jews, even the most neutral, we would not fear to say that we are happy and overjoyed that Lemberg has been torn out of Russian hands. We hope that we did not violate our duties of neutrality in making this statement, and if we did violate our duty of neutrality, we did it at least knowing that we did it with the knowledge of telling the truth.

Mr. Chairman, that may not be the best of English, but I have tried to follow as literally as possible the translation that I made, so as not to be accused of coloring, so I must ask pardon for the English. On Saturday, July 17, 1915, there was an editorial under the heading "The writing of a godly hand." Miller in that went on to say:

There was a time when we believed the Jews should not show the feelings of hate and sympathies in this war, when Jewish blood is being spilled in every country and in every army of the world. The Jews of America must not speak in joy of the defeat of one army or another or one nation or another. Perhaps it would be wiser politics and more careful politics that we should demand the same today as we demanded before, but who cares and who can care today for politics or for carefulness. Who can think when on the threshold of hell about questions of diplomacy or diplomatic wisdom? Therefore, let us all pray to Him on high and hope that the last defeats of the Russian armies are not only an accident in history but that they are the writing of a Godly hand.

In the issue of Friday, July 30, 1915, in an editorial article headed "Warsaw of 1915 and Moscow of 1912," the editorial lauds and glorifies the industrial ability of Germany and the strategy of German generals and jeers at the Russian generals, who say that the Germans will be driven out of Warsaw just as Napoleon was driven out of Moscow, and it continues:

All the great and wonderful things that Germany has accomplished at every front since the war began was the result of her remarkable industrial development through the wonderful organization of her means of production in which she not only beat Russia and France, but also England, and even to a certain degree America.

In the editorial of Monday, August 2, 1915, under the heading of "Flax," it is stated, talking of the situation in Poland:

The idea of Wilhelm—

Of course, meaning the only Wilhelm—

The idea of Wilhelm is more humane and more progressive than the ideas of Nicholas, and being more humane and more progressive, his ideas are more welcome to us than the ideas of Nicholas. The ideas of both of them might not be satisfactory for us Jews, but in the plan of Wilhelm a certain humane principle of humanity that is very important for us Jews, as well as for the Poles, is recognized.

A leading three-column article of the same issue, headed "How France repays the Jews that have sacrificed their lives for her," with a subheading, "The spirit of Czar Nicholas in the French Republic," goes on to quote from an interview with several Jewish soldiers who have just arrived from France, and one of them, describing a battle, is alleged to have said:

After the third week of our battle I was taken sick and the doctors dismissed me from the service. I was overjoyed by it, because the French have treated us Jews contemptibly and on every occasion called us "sheeney" and reproached us that we came to battle only for the purpose of eating.

Another soldier is alleged to have said:

When the war broke out, I immediately enlisted, but I was astonished on my arrival at the camp at Lyons to see that I, together with many other Jews, were placed in a legion which was composed of criminals only. From all sides we were insulated. We were given cold black coffee and dry bread, and when we protested we were told that we were dirty Jews, and we came only to eat and nothing else. I refused to eat and got sick. When I applied to the sergeant to send me to the hospital, he began to beat me, etc.

Then the article contains other descriptions of brutal treatment of Jews in the French Army. In the editorial of Friday, August 6, 1915, under the heading of "Bridges of Vistula," it is declared that the entrance of the Germans into Warsaw and the victory of the Germans all over Poland is at the same time a victory of civilization. To quote:

The entrance of the German Army into Poland over the bridges of the Vistula was a great day in the history of all civilization and culture, but for us Jews it was the greatest day of all. In Warsaw it was (when the Germans came in) as if a supreme heavenly power would tear down the black cover of the sun and bring light to the hearts and souls of the population. Every one with the exception of the Polish spies, provocatures and hooligans, breathed more freely, when the two-headed eagle of Nicholas went out through one tower of Warsaw and in the second appeared the faces of the victorious troops of Bavaria under Leopold.

Senator STERLING. Yet he professes to be proally?

Judge LEVY. Well, Senator, I leave that to your judgment. To further emphasize the force of Mr. Miller's proally sympathies, let me quote you from another journalistic venture of Mr. Miller which lived for but a short time, and which was known as Miller's Weekly. I quote from the very first issue, under date of December 22, 1916. It was entitled "Why Germany wishes peace." And at this point I desire to show you gentlemen the newspaper, Miller's Weekly. Perhaps you can not read Yiddish, and it might be well for you to look at the cartoon on the very first frontispiece page, and then look at the picture, which is under the headline of the article to which I refer, and as I explain it I am confident you will see my point. This article, as I say, is entitled "Why Germany wants peace." Then follows the picture, and underneath the picture appear the words, "Why Germany wishes peace." Now, if you know that that is the title and then look at the picture, I need hardly say anything more about it. There is the iron cross of the German, hanging, as you see, from the neck of the picture of the male person in that picture, and two children hanging over his shoulders, and his wife beside him.

Senator OVERMAN. Domestic happiness.

Judge LEVY. Yes. That article goes on to say:

There cannot be any greater, uglier crime as the present hysteria in the land of the Allies, where the politicians of the entente (England, France and Russia) seek to show that the peace offer of Germany is a "political manœuvre," a diplomatic "trick."

Germany is today as far removed from political manœuvres, from diplomatic tricks as heaven from hell, as liberty from oppression.

It is said that there can be no peace until German militarism is shattered. The German army of today is not the old military organization. The present-day army consists of working men, clerks, farmers, business, physicians, lawyers, poets, and professors. These are the men and leaders of the present-day German army. These are the men of this army. And the spirit? To call the present military organization of Germany German militarism is exactly the same as to say that the army of Washington, which defended America against

England, or Lincoln's army that fought to save the republic are American militarism.

Germany's sins. Great and dark was her crime when she called forth this war.

Much darker, however, is the sin of England, France and Russia, today, who refuse to end the war. Germany when she began the war, wished to realize certain political and military ambitions and to win certain economic advantages. She was egotistical, brutal, if you will it so, but in harmony with the prevailing political dogmas, yet in no event insane.

England, France, Russia, are prepared to bleed themselves together with the enemy. To bury themselves in a grave so long as they buried Germany underneath them, and this is worse than egoism, worse than brutality. It is insanity.

While on Miller's Weekly, let me say that with the appearance of the first issue, of which I speak, I soon learned what Miller meant by the remarks made to me in respect to the letter written by him to Mr. Untermeyer. He published this letter in that issue, in photo-engraved form, and wrote an editorial accompanying it. In this virgin editorial he assigned as the only reason for closing the Leader, "that we did not have the necessary means to successfully fight financially the terrible crisis through which all business was then passing, and newspaper business in particular."

He made no mention whatever of possible difference of opinion or sympathies in respect to the world war. In fact, the world war was never there even once referred to. He goes on to say that he approached me and reported the sadness of his plight, and that I advised him that Mr. Untermeyer was ready to finance the paper, and "to help me save myself from ruin as well as the results of my worth, my energy, my ambitions and my hopes; in fact, nearly all of my worldly goods."

Of Mr. Untermeyer he says:

It is necessary to say right here, that you made upon me a very deep impression from every possible point of view. Among our great and powerful leaders in American jury, there are very few such personalities as Samuel Untermeyer.

Later, after giving some details of his then version of the transaction, in speaking of me he said:

My friend (Judge Levy) answered me, that once he is placed in the position of arbitrator—third person—he cannot stop to reckon with my ideas and feelings, but that he would decide each question presented to him by both parties as he finds it just and fair. I told him (the judge) that the position he had declared was a just one and I thanked him for his sincerity.

Mr. Chairman, if I may I would like very much to file with the reporter a full copy of that editorial, so that you may have it, every word and syllable, and then see what kind of a man this fellow is.

Senator OVERMAN. Very well.

Judge LEVY. Still keeping Miller's Weekly in mind, may I ask what contributions were made toward its support and maintenance by the man who became so conspicuous in his intrigues against our country that our Government was obliged to intern him? Could some one tell me who it was that helped Mr. Miller in his travels through Europe? Why did Deputy Attorney General Becker, of New York State, report through the public prints, within the last week or so, that von Bernstorff recommended Miller as "reliable"?

Does Mr. Miller, by reckless and unjust accusation, wish to divert attention from himself?

Mr. Chairman, I just wish to say one word, with your permission, in respect to Mr. Untermeyer. Mr. Untermeyer requires no defense. In justice be it said that I know of no man who has done so much to bring the patriotic element among the people of the East Side of New York and other conjected communities as did Mr. Untermeyer. Miller not only acknowledged this but proclaimed it in the hearing of many persons from the platform of Cooper Union long after the occurrence of the Leader and the Warheit instance. I know of no man in this Republic who has been so willing at all times in patriotic endeavor to yield up not only his very precious time but just as much money as was necessary in that endeavor, and let me recur to one instance of it. I recall very vividly before our country was at war, but when war seemed imminent, before any conscription law was enacted, and when it was not known definitely whether one could succeed, Mr. Untermeyer called together the representatives of the Jewish press of New York and urged them to form an American league or a Jewish league of American patriots, or an American-Jewish patriotic league for the purpose of securing volunteers in the military and naval service of the country, and he offered to finance the equipment of these men, to fill a regiment of them at his own personal and individual expense and began by contributing the necessary moneys for the propaganda that was necessary to bring about that result, and formed an organization of which he became the president and the representatives of all of the Jewish newspapers and periodicals in New York became other officials, respectively.

Senator STERLING. What was Mr. Untermeyer's position in regard to the selective-service law?

Judge LEVY. I know of no man in the country who was more upon the question, who came out publicly and spoke in its favor from time to time any more than he did, at large and monstrous gatherings. I wish to say in this connection that Mr. Miller himself, at a very large meeting in Cooper Union, New York, acknowledged Mr. Untermeyer's patriotic devotion, and proclaimed it from the public platform in my hearing and in the hearing of hundreds and hundreds of persons, not to say thousands.

Senator STERLING. Did he at this meeting of which you speak take a position in favor of the selective conscription law, which was then a law, which was then under discussion, as I understood you?

Judge LEVY. No, sir; the conscription law at that time was not under discussion. It was our volunteer endeavor. This was before conscription had taken effect, or before it had been introduced.

Senator STERLING. It was after the Congress had declared war?

Judge LEVY. I do not wish to be sure about that, but it might have been before that. I am not certain.

Senator STERLING. He would hardly be urging volunteers before we entered the war.

Judge LEVY. We were. This American Jewish Patriotic League was organized before we were at war, but when war seemed imminent, when it was generally spoken about that the President would go before Congress in April—I think this was in March, 1917; it was not so long before war was declared, but it was generally accepted that war would be declared—you will probably recall the howling of the newspapers throughout the country over the offenses of Ger-

many against America and what the President would be likely to do. I think it developed as they predicted.

Maj. HUMES. Judge Levy; you have gone at some length into the attitude of the Leader. Have you made any analysis of the editorial policy of the Warheit?

Judge LEVY. Yes.

Maj. HUMES. Do you not think that the Warheit was equally a pro-German—if you choose to call it pro-Germanism—as the Leader during all this period of time?

Judge LEVY. Well, I have no belief in the matter. I want to be fair to the men who were in charge of the Warheit at that time, particularly Mr. Miller. I would not say that any of them were pro-German. It was not a case of their loving Germany more, but it was because they really loved Russia less that their attitude was so fixed in that situation.

Maj. HUMES. You have undertaken to attack Mr. Miller. You are probably aware that this committee is only concerned with the facts, not with the personality of the editor. Can you give us an editorial analysis of the policy of the Warheit during the period of Mr. Miller's severance of relations, and after he had severed relations, with that paper?

Judge LEVY. While Mr. Miller was in charge of the editorial policy of the Warheit, as I told this committee before, I recall approximately three editorials that were written in favor of Russia. I do not remember a single one in favor of any of the other allied countries. I spoke with Mr. Miller about that one day, and he told me, "You do not understand what a clever move that is." He said, "You never can tell the day when the Jews will need something in Russia." I said, "What day is more likely than this when there is need for aid in Russia?" He said, "It might work out that the Czar might become impressed with my editorials."

Maj. HUMES. Then you were complaining about him because he was not attacking Russia at that time?

Judge LEVY. I was not complaining at all.

Maj. HUMES. You took issue with him upon this editorial policy of supporting one of the allies.

Judge LEVY. No; I was taking issue with him because he supported Russia, and I hated it, as every Jew in this land hated it, for its massacres of the Jews.

Maj. HUMES. When was it that Mr. Miller severed his relation with the Warheit? I think you referred to it without mentioning the exact date.

Judge LEVY. I beg your pardon. I said he resigned as editor on the 23d of November, 1914.

Maj. HUMES. Is it not a fact that from that time on the policy of the Warheit was pro-German?

Judge LEVY. I refuse to call it so. I would not characterize it pro-German. I would say anti-Russian.

Maj. HUMES. Anti-English?

Judge LEVY. No, sir; no, sir.

Maj. HUMES. Have you made a study of the editorials of the paper?

Judge LEVY. I have, sir; not very carefully, but casually.

Maj. HUMES. Then the only one you are qualified to speak on with reference to the policy of the newspaper is the policy of the Leader, and you are not in a position to state definitely what the policy of the paper in which you were financially interested was?

Judge LEVY. I was not then interested financially.

Maj. HUMES. When did you become financially interested?

Judge LEVY. I told you, on the 5th of May, 1916.

Maj. HUMES. Subsequent to that time, what was the policy of the paper?

Judge LEVY. I would say anti-German until America entered the war, and then it became terribly patriotic.

Maj. HUMES. Who dictated the policy of the paper after you acquired control of it?

Judge LEVY. Why, I do not know that there was any change of policy that required dictation.

Maj. HUMES. Who controlled the policy?

Judge LEVY. There really was not any, except that Mr. Gonikman, who took Miller's place, was editor in chief, and he went on doing the work of Mr. Miller.

Maj. HUMES. There seems to have been some change of policy. You say when Mr. Miller was controlling the policy he wrote certain editorials, and they were editorials about Russia about which you say you complained. He was anti-Russian.

Judge LEVY. I was not there then. I could not tell you who dictated the policy. He left in November, 1914, and I did not get any interest until May, 1916.

Maj. HUMES. And the policy of the paper changed after November, 1914, and became anti-Russian?

Judge LEVY. I would not even say that. Let me read you from two editorials. Under Mr. Miller's control of the Warheit, while Mr. Miller was editor in chief, I will say to you——

Maj. HUMES. We are willing to accept Mr. Miller's policy as cited by you from the Leader, but we are inquiring about his policy of this other paper in which you were strongly interested.

Judge LEVY. It was very strongly American, probably the greatest foreign language pro-American paper in the country.

Maj. HUMES. Was it a member of the League of Foreign Newspapers, or the Association of Foreign Language Newspapers?

Judge LEVY. I could not tell you that; I do not know that association.

Maj. HUMES. Do you know Mr. Hammerling?

Judge LEVY. Very slightly.

Maj. HUMES. Do you not know that this paper was affiliated with Mr. Hammerling in his association?

Judge LEVY. No; I do not know that.

Maj. HUMES. What per cent of the capital stock did you own?

Judge LEVY. Mr. Paley and I bought from Mr. Miller 130 shares, which he said was 40 per cent. I was given 65 shares and Mr. Paley took 65 shares of the 130. I own 65 shares, which I hypothecated.

Maj. HUMES. Yes; hypothecated in connection with the loan that you made from Mr. Untermeyer.

Judge LEVY. Yes.

Maj. HUMES. You have not available any of the editorials of that paper subsequent to your purchase?

Judge LEVY. Oh, yes; I have; but not here.

Maj. HUMES. I mean here.

Judge LEVY. No; I did not carry the files of the Warheit here. It is a great big daily. I can furnish them, if you wish them.

Senator OVERMAN. What does the word "Warheit" mean?

Judge LEVY. It is a Yiddish word and it means "the truth."

Senator NELSON. It is a German word, too.

Judge LEVY. Yes; it is. Yiddish I consider corrupt German at best. Yiddish is corrupt German at best; that is, it finds its derivation in German. Remember, the Warheit has been in existence for 15 years.

Maj. HUMES. Do you know Dr. Isaac Strauss?

Judge LEVY. I do not know that I ever met the gentleman in my life, except perhaps to see him once at a convention at a distance. I know of him very well.

Maj. HUMES. He was very much interested in Jewish publications, was he not?

Judge LEVY. No; only in one, and that was in Miller's Weekly.

Maj. HUMES. He was not interested in any other Jewish paper?

Judge LEVY. Not that I know of; in no other single publication. I was told he was advancing Miller money, which kept the weekly alive. That is what I meant by asking the question in my narrative.

Maj. HUMES. You know nothing of any interest that he had in the Warheit—in its policy, not financially?

Judge LEVY. He certainly did not have any interest in the Warheit, because when I entered the Warheit he was discussed, and hatred and contempt expressed for him was shown very forcibly by the men with whom I am associated.

Maj. HUMES. Did you know what he was doing in this country?

Judge LEVY. I did not know until I read recently, when the Government put its hands on him.

Maj. HUMES. Did you not at that time know that he was an agent of the German Government?

Judge LEVY. I certainly did not; and if I had known it the Government would have known it also.

Maj. HUMES. From the statement you have made here you have undertaken to establish that Mr. Miller and his publications had a pro-German tendency rather than to show to the committee that the Warheit was not pro-German.

Judge LEVY. Oh, I beg your pardon. You have no right to make that assumption.

Maj. HUMES. You have produced nothing from the Warheit to indicate what its policy was.

Judge LEVY. I told you what it was. If I had known that you wished, I would have brought it. I brought here these quotations from Mr. Miller's publications, to show how insincere he was, and how foolish I believe some of our governmental functionaires were to employ him at compensation to involve innocent and decent men in scandal unjustly.

Senator KING. Where is Mr. Miller now?

Judge LEVY. I really do not know. I know that on Saturday last he was told about this meeting, and he was told that I was coming here. He discussed it with a gentleman, and was well conscious that it was going to take place, and I was hoping he might be here, as I felt he should be.

Senator KING. After you became interested in the Warheit I suppose you gave it only cursory attention.

Judge LEVY. No; I worked like a beaver down in the congested communities. For instance, the New York Evening World was beginning a very comprehensive Americanization endeavor, upon my personal solicitation of the editorial genius of that paper, generally trying to Americanize the foreign-born people down in the congested communities, and we struggled for a long time, and I was devoted to the work of Americanizing those people, to remove them, let me say, from the bolshevik influence that invaded those communities and that was working irreparable injury. I preached and I talked and I lectured, as did Mr. Untermeyer, and I wrote in the paper myself. I wrote for months anti-German propaganda, anti-German speeches, tracing the history of the Hun, for example, from the time of the Phœnicians down to the present, and you can find those articles, Major, without any difficulty. I would have brought them here with great delight if I had known you wished them.

Maj. HUMES. I understood from your telegram that you had taken a position in defense of the Warheit.

Judge LEVY. The Warheit needs no defense, let me assure you.

Maj. HUMES. That is what I was interested in—to ascertain if we had any analysis of its editorial policy, and it seems we have not.

Judge LEVY. Let me say it is a vigorous, healthful force for good in the interests of America.

Senator KING. Maj. Humes, I do not quite think that it is fair to state that we have not, because Judge Levy has attempted to give his interpretation of its policy; and until you have something here that would contradict that, I think that his generalization is entitled to credence.

Maj. HUMES. I was speaking of the production of editorials. We have not seen the editorials.

Judge LEVY. If you had suggested to me the bringing of them, I would have done so. Have you ever suggested it to me?

Maj. HUMES. No; I assumed from your telegram that you had them and were going to bring them. I am not undertaking to say what that policy was. I was simply expressing a regret that you did not have them with you.

Senator KING. From being familiar with the paper, the Warheit, after your connection with it, you would say, as I understand you, that the editorial policy of the paper was American?

Judge LEVY. Oh, thoroughgoing; the most pronounced of any foreign-language paper in America. I can not make that too emphatic.

Senator KING. Was anybody else connected with the editorial writing other than Mr. Gonikman?

Judge LEVY. No; no one else. We did splendid work. I think we were more largely responsible for the redemption, for example—and I do not wish to talk politics, but for the redemption—of that

community in the last election, than any other agency that I know of. We were not partisan. We were just antibolshevik, anti-anarchist, antired flag, antimob, antivioleness, and antilawlessness, and we have had our hands full out there. You have no idea of the struggles we encountered.

Senator KING. Your paper stood for law and order?

Judge LEVY. It stood against all these things I mentioned, and certainly for law and order, and always for Americanism. I dare say there was hardly an issue when there was not a pro-American propaganda, something in some form or other. And let me say this: I can not arraign at the bar of this committee any Jewish paper for having sympathies with Germany before the Russian rebellion. Let me give you the Jewish psychology in America as elsewhere and you will understand why Jewish newspapers particularly could not be for Russia. Think of Kicheneff, Kieff, and the massacres and the programs for many years in Russia. Those things embittered every person through whose veins runs Jewish blood against Russia and the Czar, and so any one who would assault Russia would receive some degree of sympathy from the Jew. He would not necessarily be pro-German, but he would be anti-Russia, and so I pardon every Jewish newspaper, and every Jewish newspaper was anti-Russia, except Miller in the Warheit, and he wrote these three editorials and then reversed his policies as you notice in the Leader and in the Weekly. But I do not charge that against him. I feel that he could not help himself, because when he came to publish the Leader he realized the error of his policy for being pro-Russia in the Warheit, and therefore changed it to anti-Russia. I do not criticise him for that. I only urge that as evidence, as I said before, of his strong proally tendencies.

Maj. HUMES. Is there a voting trust in connection with the stock of the Warheit?

Judge LEVY. Yes.

Maj. HUMES. Who holds the stock?

Judge LEVY. Theodore Herman is the voting trustee, but the power of voting is vested with Mr. Paley and myself. Herman enters by the agreement signed in the event that we disagree. We have never disagreed. We have been nearly three years together. We have never called in Mr. Herman. We have never communicated with Mr. Untermeyer, and as a matter of fact Mr. Paley has been running the business himself. He is the business head of the Warheit.

Senator OVERMAN. Is there anything else that you desire to say?

Judge LEVY. No; I think not.

Senator KING. Is there anything further that you desire to state?

Judge LEVY. I hate to state it, but there is something on my heart.

Senator KING. I mean that is relevant to this investigation.

Judge LEVY. It is very relevant, I resent as vigorously as I know how these imputations, and it is a sad thing, a very sad thing, that true Americans, engaged in true American endeavor, are required, even by suggestion and innuendo, to defend themselves. I never before knew that that was an American doctrine. I thank you, gentlemen, for your very kind consideration.

Senator OVERMAN. We are obliged to you.

TESTIMONY OF MR. SAMUEL UNTERMYER.

(The witness was sworn by the chairman.)

Mr. UNTERMYER. Mr. Chairman, I think it will avoid discursiveness if I read the statement which I have prepared, although it may be rather lengthy. I expect to interpolate a few things as I read.

I thank you, Mr. Chairman, for this opportunity now for the first time accorded me and at my own request to justify my acts and to voice my earnest protest against the gratuitous dragging of my name into this proceeding on what I can not but regard as the most flimsy of provocations. There is not in my judgment a fact or suggestion in your record to justify such use. I respectfully submit that reputations that are the fruits of a lifetime of effort and public service are entitled to be protected against attack in this ex parte fashion. A mere informal private inquiry of me by the investigators would have met with a most prompt and cheerful response and would have thrown open without reserve my files, correspondence, and everything else that might have been asked, but no such inquiry was made of me, although Mr. Bielaski was very well acquainted with me, for he had acted under my direction when I was here a few years ago as counsel for the Department of Justice in the defense of Secretary McAdoo and Comptroller Williams in the Riggs Bank case and knew me very well. The first I knew of this business was when I found myself headlined in the newspapers.

Now that the few trivial incidents in which I am referred to have been publicly exploited and magnified (for which, however, the committee is not to blame), I am here also to disprove the innuendoes and implications that have been spread broadcast, based upon insignificant transactions that were entirely harmless and legitimate, but from which it is has been made to appear in effect that in 1915 and in March, 1916, my sympathies were pro-German and that I either assisted or was willing at that time to assist in propaganda favorable to its cause.

There is not a shred of basis for either of these vague implications. Being of German parentage, although it is almost a century since my people settled in Virginia, it would not have been unnatural under ordinary conditions, or in any sense improper if my sympathies had at that time been pro-German. Sentiment was quite evenly divided for a time, due partly to our large German and German-Austrian population and to the anti-English feeling in some quarters.

But it so happens that my sympathies were not at any time pro-German. I point to my consistent record both before and since the war in proof of that assertion. That was due to many causes, among them being (1) my familiarity with the characteristics and political institutions of the chief belligerents from long personal contact and my study of the merits of the controversy; (2) my intimate knowledge of the English people and my many lifelong friendships and professional associations in Great Britain extending over 30 years, whilst I had no such friendships or associations in Germany; (3) the fact that I had been during all those years and am still acting for large British financial interests in this country, not only as their legal adviser but as their representative, and have had no such relations with Germans or Germany; and (4) that Great Britain is the

one country in the world, not excepting our own, that has developed and lived up to the highest standards of personal, social, and political liberty and opportunity, and where, above all other countries, including our own, race and religious bigotry are fortunately unknown. For that spirit the people of my race can not but be grateful, whilst in Germany the Jew has long been denied such liberty and opportunities.

From the notes of testimony before you furnished me it appears that the few matters, all said to have occurred in 1915 and early in 1916, with which my name has been associated are incidental and unimportant and quite out of proportion to the hubbub that has been raised in the misleading press reports that have been published in every town and hamlet in the land and which it will be literally impossible to correct, so rapidly does the circulation of falsehoods outrun the truth.

I propose now, with your kind indulgence, to take up these scraps of innuendo and answer them specifically and categorically; but before doing so I crave your permission to briefly review my record of activities in connection with the war, from 1914 to the present time, by which I hope forever to set at rest among thinking people the impressions that have been created. It will be impossible to correct these impressions among those who judge their fellow citizens by newspaper headlines.

It will, I am sure, be unnecessary to assure you that it is never a pleasant experience to have to catalogue and recount one's services to his country, especially at such a time as that through which we have just lived, and I beg you to believe that I do so in no spirit of vainglory or boastfulness or as though I were entitled to credit, but, on the contrary, with painful reluctance and mortification and only because it is necessary to a just understanding of my position.

When the European conflict broke out Mrs. Untermeyer and I were at Carlsbad, Bohemia. We passed through Leige, Belgium, on our way to London an hour ahead of the German troops. We found tens of thousands of Americans, including thousands of our school-teachers, ministers, and other tourists of modest means stranded in London, unable to get home or to secure funds to keep them there. I remained two weeks assisting them to get accommodations and with loans of small amounts of gold, which was the only money that passed current for a time and which it was well-nigh impossible to get.

When the matters concerning me were published I received, unsolicited, many messages, of which I submit a single instance. It is in the form of a telegram from Father Malone (Rev. Thomas H. Malone), Denver, Colo., whom I had not seen or heard from for years, and reads as follows:

DENVER, COLO., *December 11, 1918.*

SAMUEL UNTERMEYER,
120 Broadway, New York City:

As I now recall those early days of the war in London when you gave such splendid moral and material support to your stranded fellow countrymen when your loyalty stood out so brilliantly, I feel a deep resentment at the press reports emanating from Washington. No American was ever more loyal to his country or his people in those trying days of 1914 than you and I desire to bear personal witness to the fact that that loyalty has ever since continued.

FATHER MALONE

I had a message from Father Malone stating that he had at the same time, I think, sent a telegram to the chairman of the committee. I do not know whether that is correct or not.

Senator OVERMAN. I will look in the files and see.

Maj. HUMES. There is such a telegram.

Mr. UNTERMYER. Is it in the record?

Maj. HUMES. Not yet. I was holding it for use in connection with your testimony.

(The telegram referred to is here printed in the record, as follows:)

DENVER, COL., December 12, 1918.

Senator OVERMAN,
Washington, D. C.:

Will you allow me to state to your committee the following regarding Mr. Samuel Untermyer. When the war broke out in nineteen fourteen I was in London with many other Americans. Mr. Untermyer at that time gave unlimited support to his stranded fellow countrymen. Both he and his wife gave thousands of dollars to assist those in need. He arranged credit for me in order that I might buy and disburse garments and necessities to those in need. A more loyal patriotic citizen I have never known. During the past four years I have had occasion to observe the work of Mr. Untermyer in various fields and it has all been of the same tenor, splendidly patriotic and American. I am glad to have the honor to give this statement to your committee, both for the Record and publication, if you so desire.

(Sg.) THOMAS H. MALONE
Roman Catholic Priest

Mr. UNTERMYER. On reaching New York on August 22, 1914, I made a lengthy résumé of my impressions for the New York Times which occupies three or four printed columns, which I have seen in its publication of the following morning on the "Lessons of the War" which I herewith submit, from which I would like to have in the record a single paragraph as reflecting my views at that time.

Both monarchs (German and Austrian) evidently realized the peril of internal revolution and the destruction of despotic governments in the aftermath of the war. They must know that their peoples would not submit to having their lives sacrificed and their fate determined by the arbitrary will of a hereditary ruler.

So keenly was this peril seen by the greatest Ministry in the history of Great Britain that it steadfastly refused to yield to the demands of its allies France and Russia to commit itself to a policy of intervention or to assume any responsibility in the then impending conflict. It maintained the neutrality of Belgium, which it was in honor bound to do. Even then the Ministry declined to use its power to assist in the presentation of its case dispassionately to Parliament and to place upon the country the entire burden, and thus absolved itself from all accountability for the outcome. In Austria, Belgium, and even in France the heavy load of responsibility was placed upon the Government, but in Great Britain the representatives, have themselves assumed the burden of the verdict.

In September, 1914, Mr. Adolph S. Ochs, publisher of the New York Times, invited me, Mr. Beck, and myself to collaborate in writing "white books" that had just been issued by the other Governments concerned. I was asked to make the review of the arguments from the lawyer's point of view. Mr. Beck was asked to make the review of the arguments from the statesman's point of view. I was asked to make the review of the arguments from the statesman's point of view. I was asked to make the review of the arguments from the statesman's point of view.

cipal of my reasons in the following words, which I have the chairman's permission to read:

I have many dear and loyal friends in England to whom I am under lasting obligations for acts of friendship extended to me over the past 25 years and to whom I am largely indebted for the real start of my material prosperity. They have stuck to me through thick and thin and in their present misfortunes they have been writing me freely concerning their troubles. I feel that they would be pained to find me championing or maintaining publicly even in the rôle of a quasi advocate the righteousness of a cause opposed to that which they have so dearly at heart and for which some of their sons and brothers have already sacrificed their lives. It is as though I were to accept a retainer to appear in a cause against a friend in which his honor and fortune were involved.

The other reason I gave Mr. Ochs was that I felt it would be violating the President's proclamation requesting our citizens to observe neutrality, to which I intended strictly to adhere.

Throughout the greater part of the two years and eight months of our neutrality and until it became apparent to me in the latter part of 1916 that Germany would persist in or renew its piratical warfare, notwithstanding its repeated specious protests and apologies at every recurrence of the offense, I maintained an attitude of absolute neutrality.

I wrote articles and made addresses throughout the country during that period but no person ever heard me utter, until Germany announced that it would resume its submarine warfare, either in public or private conversation, a word that was not in strict accordance with the President's proclamation of neutrality.

Meantime whilst my personal relation with members of the German embassy continued pleasant, I did not refrain from denouncing the invasion of Belgium and the murder of our men on the *Lusitania* nor from publicly and repeatedly expressing my view in favor of the necessity for maintaining and insisting upon our right to put an end to the uncivilized submarine warfare. I have before me a clipping from an interview occupying three columns on the first page of the issue of the Washington Post of March 6, 1916, reviewing the President's policies, which I herewith submit, which I ask permission to have inserted in the record.

Senator OVERMAN. Very well, it may be inserted.

(The interview referred to was marked "Untermeyer Exhibit No. 1" and is here printed in full in the record as follows:)

UNTERMEYER EXHIBIT No. 1.

(By F. E. Ackerman. Special Correspondence of the Washington Post.)

BRILLIANT DIPLOMACY OF PRESIDENT IN GRAVE NATIONAL CRISIS INSURES HIS REELECTION, UNTERMEYER HOLDS.

WILSON AVERTED GREATEST CATASTROPHE THAT EVER THREATENED HONOR AND PRESTIGE OF REPUBLIC, SAYS DISTINGUISHED NEW YORK LAWYER—SINCE PEOPLE ARE NOW "BLIND OR FOOLS," WILL GIVE HIM STUPENDOUS MAJORITY—AMERICANS SHOULD NOT ADD TO COMPLICATIONS BY TRAVELING ON ARMED VESSELS. LAWYER ADDS, BUT THEIR RIGHT TO DO SO CANNOT BE SURRENDERED—VOTERS WILL REBUKE AUTHORS OF "VILE LIBEL" THAT EXECUTIVE WANTS WAR—PREDICTS BRANDEIS' CONFIRMATION.

NEW YORK, March 5.

Unless the people are "blind or fools" President Wilson's reelection is a foregone conclusion, according to Samuel Untermeyer, the noted lawyer. In an

extended review of the critical and perplexing problems which the present administration has been confronted with, Mr. Untermeyer asserted that historians would regard the exalted and just course pursued by Mr. Wilson, as one of the brightest pages of the country's diplomatic history.

CONDEMNS WILSON'S CRITICS.

Admitting that the question of whether or not American citizens should travel on board vessels of belligerents armed for defense was one most difficult of solution, Mr. Untermeyer condemned vigorously the "intemperance, hollowness and bitter partisanship" of those who are opposing the President at this critical juncture of the country's history. He predicted that the men responsible for the "vile libel" that the President desired war would meet swift punishment at the hands of their constituents at the polls.

Mr. Untermeyer suggested that no American should add to the complications which confront the administration by traveling on board armed passenger vessels, but he added that he could not see how this nation could "surrender the undoubted right in principle with due regard to its own dignity now without creating a dangerous precedent that will have the effect of seriously circumscribing our future rights under international law.

MUST OBSERVE OLD LAWS.

"It is an old axiom among lawyers," he said, "that 'hard cases make bad law', by which is meant that where the law does not appear to square with the justice of the particular case, the temptation is almost irresistible to relax the wholesome rules of law that have been established as the result of generations of experience. The judge who, with the best intentions, yields to that temptation in his eagerness to promote justice in a given case perpetrates an enduring wrong upon the sacred cause of justice. He mutilates the landmarks that are intended to guide all judges in administering the law. So it is in this U-Boat controversy. It is neither wise nor right at such a time to break away from and set aside the settled rules that are our only guide in order to meet an emergency and find ourselves cut loose from our moorings, drifting in an unknown sea in the most violent storm in the annals of time.

BRIGHTEST PAGE IN DIPLOMACY.

"I am confident that the President's policy will triumph and that we shall look back upon it as the brightest page in our diplomatic history, and as having averted the greatest catastrophe that ever threatened the honor and prestige of the nation. The President's nomination is, of course, a foregone conclusion, and as the people are not blind or fools, I look for his reelection by a stupendous majority, based upon the justice, wisdom and high statesmanship of his foreign and domestic policies."

The President has endeavored to maintain an attitude of the most rigorous neutrality, Mr. Untermeyer said, and Mr. Wilson has administered the rules of international law as he found them.

FACED UNPARALLELED PROBLEMS.

"I believe that when the smoke of this conflict has cleared away," he said, "the President's administration will be regarded by the historians as the one that has been confronted by the most momentous and perplexing problems in our national existence, and that it has covered itself with everlasting glory by the splendid statesmanship and exalted sense of justice with which it has met them. Throughout the President's policy, from the beginning to the end of the controversies that have been thrust upon him, there is manifest the consistent and unyielding determination to maintain the most rigid neutrality and to administer without fear or favor the rules of international law as he finds them. In no other way can neutrality be maintained, whether those rules be right or wrong.

"That this has been and will be a difficult task and one that it will be hard for the partisans on either side to understand becomes more evident every day; but that it will win in the end I have no doubt, for it is the plain path of duty and the only safe road to travel. Every man who loves his country will stand by the President and hold up his hands in this great crisis through which he is

so ably and fearlessly piloting us amid shoals of war into what will prove to be the safe haven of an honorable peace.

"Nothing more clearly demonstrates the intemperance, hollowness and bitter partisan spirit of the criticism to which he is being subjected than the brutal suggestion that the President wants war. I doubt whether there is any man in the land who is so earnestly praying and striving for peace, if that can be had without sacrificing our honor. It seems incredible that the people have the patience to tolerate such vile libel at such a time. I venture to predict that the men who are responsible for it will meet with swift punishment at the hands of the people at the polls. Instead of upholding the President they fatuously select this of all times to weaken him in the very crux of the delicate negotiations in which he is engaged. They do not realize the high order of statesman against whom they are playing this game of peanut politics in the mistaken belief that there are different brands of Americans.

"The question of whether Americans should be warned by their government not to travel upon armed merchant ships of belligerents is difficult of solution, and especially so to those who are not in possession of all the facts. Those of us who are in doubt should suspend our own judgment and follow our chosen leader with faith in his loyalty and wisdom, which have thus far kept us out of trouble. Divided counsels are bound to precipitate trouble.

"While no American should gratuitously add to the complications of his country by traveling on an armed ship, I for my part do not see how this nation can surrender that undoubted right in principle with due regard to its own dignity nor without creating a dangerous precedent that will have the effect of seriously circumscribing our future rights under international law."

Referring to the attacks being made on Louis Brandeis, nominated to be a justice of the United States Supreme Court, Mr. Undermyer said:

"Of course, he will be confirmed by the Senate, as he should be. The attack has collapsed, as every one knew it would who was acquainted with the facts. From its inception the opposition sailed under cover and flew false colors. In point of fact it was inspired by the old 'New Haven' crowd and the other predatory financial interests that are affiliated with them, and was supplemented by the bigots and smug, self-righteous 'blue-bloods' of the Boston bar, who do the bidding of corrupt corporations and whose conceptions of professional standing exclude every lawyer who champions corporate reform. If he happens also to be a Jew no punishment short of complete social and professional ostracism will fit his double crime. That is all there is or ever was to the Brandeis case.

"I am looking forward with unusual satisfaction to seeing the Senate prick this bubble of New England bigotry and snobbery. It will be a great triumph for true democracy and the most severe blow yet dealt to instructed corporate corruption.

"And what an awakening it will be! And how wholesome!"

Mr. UNDERMYER. I wish particularly to refer to the following from that interview:

Whilst no American should gratuitously add to the complications of his country by traveling on an armed ship, I for my part do not see how this nation can surrender that undoubted right in principle with due regard to its own dignity nor without creating a dangerous precedent that will have the effect of seriously circumscribing our future rights under international law. * * *

So it is in this U-boat controversy. It is neither wise nor right at such a time to break away from and set aside the settled rules that are our only guide, in order to meet an emergency and find ourselves cut loose from our moorings, drifting in an unknown sea in the most violent storm in the annals of time.

Senator NELSON. What do you mean by that statement?

It is not very clear to me [reading]—

It is neither wise nor right at such a time to break away from and set aside the settled rules that are our only guide, in order to meet an emergency and find ourselves cut loose from our moorings, drifting in an unknown sea in the most violent storm in the annals of time.

What do you mean by that as applied to submarine warfare as conducted by the Germans?

Mr. UNTERMYER. What I mean by that is that it would be neither wise nor proper for us to permit submarine warfare, which was against international law. The law had been that where a belligerent ship was captured it could be taken into a prize court, or if it could not be taken into a prize court, then the law required that the passengers and crew should be first cared for and then the cargo could be taken and the vessel taken in; but that there was no international law, and that it was in gross violation of all international law, without notice or warning, to fire upon a ship and murder and drown the passengers and destroy the ship itself.

I say that that was absolutely contrary to every known rule and practice of international law, and that if we submitted to it, permitted it to go on, our rights under international law would be lost.

Senator NELSON. I simply referred to it in particular because I think it was not clear. The statement you have now made I think is correct, and I entirely agree with you. This quotation here is rather vague.

Mr. UNTERMYER. Do you think it is when you take it in connection with the preceding paragraph?

Senator KING. I think it is very clear, Senator Nelson, in connection with that part of Mr. Untermyer's statement which preceded it, in which he claimed we had the right to travel upon belligerent ships.

Mr. UNTERMYER. Taking the whole thing together, perhaps it was a trifle too rhetorical to be entirely clear.

Senator KING. I think it is a lucid statement.

Senator WOLCOTT. Let me make a suggestion. I read:

It is neither wise nor right at such a time to break away from and set aside the settled rules that are our only guide, in order to meet an emergency.

Let us end the sentence there and then go on:

If we did so, we would find ourselves cut loose from our moorings, drifting in an unknown sea in the most violent storm in the annals of time.

Mr. UNTERMYER. I think that would probably be an improvement in phraseology, but that is the meaning of it, perfectly apparent.

Senator WOLCOTT. I caught it that way.

Mr. UNTERMYER. There is much more of the same sort as indicating my openly expressed attitude, with which it is not necessary to burden you. I was, of course, always solicitous, as were all of us, that a conflict be avoided and tried to do my humble part in my infrequent meetings with members of the German Embassy toward preserving the peace by making them feel that our hands were not turned against them, although I always insisted with them, and they knew that I felt deeply, that they were in the wrong.

During all of that period between September, 1914, and our entry into the war, I was repeatedly importuned at one time or another and consistently refused to act as their legal advisor or in the defense of cases, and in other transactions that were not only highly lucrative and legitimately within the sphere of the activities of an honorable lawyer, but that involved important international and other problems with which the leading men of the bar would have been prominently concerned and as to which some of them did, from time to time, accept of the fact I have never at any time acted either for the German or Austrian Governments or for their members or associates or for any

German, Austrian, or American citizen charged with violating our neutrality or with any other offense connected with the war, although in 1915 and 1916 it would have been entirely proper and professional for me to have done so if I had seen fit.

Such retainers were being constantly and very properly accepted by other lawyers of high reputation, as they continued to do after we entered the war, and as they are to-day doing in the proper exercise of their professional rights and duties, and apparently without criticism, which is as it should be.

It so happens, however, that at no time did I ever, directly or indirectly, receive or handle a single dollar from anyone connected with either government or embassy or from any German, Austrian, or American citizen charged with violating our neutrality. I remember on one occasion—I think in 1916—writing a letter for Albert's counsel to a man with whom he was having a controversy, but nothing further came of it and I made no charge, rendered no bill, and did not ask or accept a retainer.

I think it is the highest province of the lawyer to defend anybody charged with crime.

Senator KING. Guiteau was defended and Czolgoscz was defended.

Mr. UNTERMYER. It would be a terrible situation in any civilized country in which a man charged with a crime could not secure defense. But there were special reasons for my not engaging in this case.

Senator KING. Germany has the right to employ attorneys here for her interest, and German citizens, if they have property here, and they believe it is threatened, have the right to employ attorneys to avail themselves of our courts, and to have such assistance as our lawyers will afford.

Mr. UNTERMYER. I have always in the bar association and in discussing the matter with lawyers contended for that rule of conduct, and have deprecated the cowardice of the bar associations of New York, and of lawyers in other States, in refusing to accept unpopular retainers, but in this case there was a special reason why I did not.

Senator KING. Daniel Webster set a very good example to the bar in a very unpopular case in his day.

Mr. UNTERMYER. Yes; I remember. My firm, of which my sons and nephews are members—I have not been a member for years, although I have my office there—as counsel had a controversy between a French and German cable company over the construction of a contract—I think it was an action for specific performance brought by the French company against the German wireless company—involving some very interesting questions of law. Mr. Marshall, of our firm, argued the case in the New Jersey courts; and that, I think, is the only thing we had, even for a corporation, and it is a thing with which I was connected only in the incipient stage, and I had no subsequent dealing with it.

I never came under any relation to them except in the same way as many of our most distinguished and patriotic citizens and high public officials throughout the country met them, in whose homes many of them were then welcome and honored guests.

In 1915 and 1916 Count Von Bernstorff and members of the embassy were often in New York, and they were very properly the

honored guests in the homes of our best and most patriotic citizens, and they visited me, as they visited other citizens.

Senator STERLING. Who is Albert, to whom you refer?

Mr. UNTERMYER. Dr. Albert.

Senator STERLING. Heinrich Albert?

Mr. UNTERMYER. Yes. My refusals to act were based on the ground, and were stated by me to them to be on the ground, that I was under a debt of heavy obligation to the British people, many of whom are and have been for over 30 years my most intimate friends and clients, whose interests I have been all these years, as I am still, representing in this country. I told them further very frankly that whilst the United States was then at peace and hoped to remain so, it was in diplomatic controversies with both Germany and Great Britain, and that in the event of this country being drawn into the conflict I did not propose to be burdened with professional or diplomatic secrets of any belligerents; and that for that further reason I would not act.

This brings me down to the time of the severance of diplomatic relations on February 2, 1917. To me that, of course, meant war. With my hearty approval and encouragement my son, then 35 years of age, at that time and before war was declared, volunteered and went into a training camp in the West. From there he went into the first Plattsburg Camp, where he earned a commission as captain of Field Artillery, thereafter going to France to join his regiment. He is still in France.

After the severance of diplomatic relations and just before the outbreak of the war I became the president of an association of publishers of Yiddish newspapers in the city of New York, which embraced all the publications (except the Socialist paper, Vorwarts, which was openly antiwar), known as the Jewish League of American Patriots. At the outset there seemed then to be considerable apathy and division of sentiment among the Russian Jews as to our taking part in the war, due to the persecution of the Jews in Russia under the then government of the Czar and to the fact that Russia was aligned with the allies. Since the dethronement of the Czar that sentiment has been completely reversed and they have been among our most loyal supporters both in men and money. The purpose of this organization was to arouse and foster a spirit of enthusiasm and Americanism among these million and a half people of our foreign population in New York City, and subsequently to stimulate interest in the liberty-loan campaigns. The newspapers of the members of the league acted in concert in spreading that propaganda, which I financed unaided from my personal means.

It is the only kind of propaganda with which I have been associated in connection with the war, other than the making of speeches and writing of articles connected with our liberty loans and Red Cross and other war-relief campaigns. Our league held public meetings, and as soon as war was declared we opened recruiting stations.

Judge LEVY. May I interrupt one moment, Senator? In my haste to get away I failed to make one point which may I make now? In May, 1917, just approximately a month after war was declared, I visited with the President at the White House, and had approximately an hour of his time over propaganda, or the subject of propaganda, among these people of whom Mr. Untermeyer just spoke, to

be directed by this league of which he spoke and of which he was then president, and laid the program before the President. The President advised me to get a book entitled "Why We Are at War," which he had written, I think addressed to all the Members of Congress and published by Harper & Bros. I got that book, and that became the basis of our propaganda. The Warheit was the first newspaper that began to make that propaganda, and then took up the other work of this American-Jewish League. I want that on the record as a point after the war was declared, bearing on the questions addressed by Maj. Humes, since the Warheit is in doubt. I do not believe it was in doubt. It was not seriously in doubt from anything Mr. Miller said in respect to the Warheit. I wanted to say this in reference to the policy of the Warheit.

Mr. UNTERMYER. I publicly offered to equip a regiment of volunteers at my own expense, and we started to enroll volunteers for such a regiment. This was before the selective-draft law was enacted. As soon as that law was passed further voluntary enlistments became unnecessary, but much was meantime accomplished in arousing public sentiment in that section and much more has since been accomplished by the league in that direction.

This man Miller, whose communication to your committee concerning the Warheit transaction in 1915 and 1916 has been put into your record and widely published, became a member of that league more than a year after that transaction as the then publisher of a weekly paper, and, as such, was present at my office when the league was organized. He attended meetings of the league committee and spoke subsequently at a public meeting at which I presided, and was most profuse in his references to me. All this after the alleged transaction to which he now refers.

From the outbreak of the war down to the present time I have devoted a substantial part of my time, without pay and at my own expense, to Government work of one kind or another connected with the war. I spent considerable time in Washington. I happen to have a letter here from Mr. Daniel C. Roper, which I would like to read. It does not bear on this subject, but it bears on the subject of my service—what I was doing. I will read this:

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, December 13, 1918.

Mr. SAMUEL UNTERMYER,
120 Broadway, New York City.

MY DEAR MR. UNTERMYER: It may seem presuming on my part to think that you can find time to read the report of the Commissioner of Internal Revenue for 1918. Nevertheless I am sending you a copy in the hope that the epochal tax year treated therein may induce you to examine that document.

My action is further prompted by a feeling of gratitude for your co-operation with the Bureau in handling this difficult tax situation of the past year. We shall need your continued support during the period of reconstruction, when government, industry and commerce must be transformed from a war to the normal peace basis, and I feel that I can rely upon your further good efforts in creating and maintaining among our citizens a spirit of co-operation in the administration of the Revenue Law.

With gratitude for your assistance in the past and coveting your good will and help for the future, I am,

Sincerely yours,

DANIEL C. ROPER, *Commissioner*

Senator KING. I would like to state that I know, from my connection with the Treasury Department and the Internal Revenue De-

partment, of the most splendid service rendered by Mr. Undermyer in connection with the fiscal policies of the Government and interpretation of the bill and, in an advisory way, as to the method by which it should be interpreted and executed.

Mr. UNDERMYER. I was chairman of the committee of three appointed to work on the formulation of the regulations for the interpretation and enforcement of the income-tax law, and after that I assisted the Secretary in connection with the taking over of the railroads in an advisory capacity.

It is because I do not propose to have my usefulness, such as it is, for the Government in this period of reconstruction interfered with that I have asked for this hearing. I think I can do public, unselfish work in connection with the period of reconstruction, and I do not propose to be under suspicion.

I spent considerable time in Washington in a semiofficial capacity, and at the request of the Treasury Publicity Bureau I have traveled over the country at my own expense on speaking tours in aid of each of the four liberty loans, besides which I subscribed for each of the loans to an aggregate amount of \$3,000,000, straining my credit and available resources almost to the breaking point in so doing, and have given considerably over \$150,000 to the Red Cross and to numerous other war-relief funds. In all my published articles and public addresses, both before and since the outbreak of the war, I have eagerly availed myself of the opportunity to sustain all the war policies of the administration, and I have dozens, almost hundreds, of clippings from speeches I have made throughout the country in that direction. It has not been my good fortune to be able to risk my life in the defense of my country, but I have left no stone unturned to render such service as came to my lot.

At all times prior to our entry into the war I refused to become a member of any of the committees, associations, or alliances with pro-German proclivities, as not being in accord with the President's proclamation, and at no time contributed to any of them, though often solicited to do so. I was, of course, intensely concerned that our country should keep out of the conflict until it became apparent in 1916 that Germany was bent upon continuing its piratical submarine warfare. As soon as I became satisfied that this would continue to be its policy I was anxious that we would enter the war and was glad and proud that we did so to safeguard our honor and protect our rights, and have often so expressed myself in speeches throughout the country in aid of the various liberty loan campaigns.

I never at that time dreamed, nor did our President, nor did you gentlemen, nor anyone else who was not privy to or in sympathy with their unspeakably vile conspiracies, that these men, who were enjoying our protection and hospitality, and their Government, were betraying the country that was sheltering them, or that they or it were engaged in hatching the devilish plots against our neutrality that were afterwards uncovered.

Now, with respect to the specific matters referred to in the testimony:

First, as to my interest in the newspaper, the Warheit.

The facts are few and simple. Miller held 130 of the 280 shares of a company that was engaged in publishing a Yiddish paper in

New York City. His stock was pledged for a loan and the pledgee was insisting on his money. Miller was then in no way connected with the paper or its policies and had not been for some time. The men who were and are still in control were friends and clients of my friend, Judge Aaron J. Levy, of New York City.

It seems that Miller had arranged without my knowledge to sell Judge Levy his stock for \$50,000, which would pay his loan and leave him \$15,000, and that Judge Levy and his friends who controlled the paper had \$15,000 but needed another \$35,000 with which to make the purchase. I never met Miller in that transaction or had anything to do with him. Judge Levy asked me to lend him this \$35,000, which I was glad to do so as to give him an opportunity to earn something through the interest he would acquire in the paper. I was quite content to take his obligation for the money, but he and his partners insisted on giving me their stock as collateral. As I was about leaving for South America, I left instructions with my secretary that whenever Judge Levy asked for the \$35,000 it was to be given to him, which was done about two months later and shortly before my return from South America.

The interest on the loan has been paid promptly, \$15,000 has been paid off on account of the principal, and \$20,000 is still due me, which I understand will shortly be liquidated. The idea of this transaction having anything to do with the Germans or with propaganda is ludicrous. There was no change whatever in the management or control of the paper as the result of my loan to Judge Levy. I have never seen a copy of the paper and could not read it if I saw it, as it is printed in Yiddish. I know nothing about its business, its circulation; do not know yet where its office is located, nor who are its officers. I made the loan simply to oblige a friend, and that is all there ever was to it. Mr. Bielaski condescendingly says that if this was my own money, the transaction was entirely legitimate. Would it not have been fairer if he had investigated that question or even asked me about it before ventilating it as though there were something about it that required explanation?

Several months prior to that transaction Judge Levy brought Miller to my office. It seems that he had first applied elsewhere for a loan through Judge Levy to a political leader, on the ground that his paper and personal influence on the East Side could be made serviceable to the Democratic Party and that it was as the result of a suggestion from that gentleman to Judge Levy, which the latter repeated to Miller, that Miller succeeded after much urging in inducing Judge Levy to approach me. That was my introduction to him and was the only time I ever met him on business. The statement in Miller's letter that "no one can control my pen or collar my person" had reference to his alleged political independence. He said he was publishing a paper called the Leader, which was bankrupt and that he had arranged to discontinue publication the next day unless I would help him. He offered me as security for that loan 45 per cent of the Leader stock and to put the voting control in trust, and also offered his equity in the Warheit stock, which was then pledged as further collateral. He and not I suggested Judge Levy as trustee. Upon the urging of Judge Levy and on his well-meant assurances and those of Miller of the latter's great value to the Democratic Party, I consented to let

Miller have the money to oblige Levy, who seemed set upon furthering Miller's wishes; but I earnestly advised the latter against taking the loan on the ground that his venture was, in my opinion, impossible of success; that he would sink the money in it in a short time and would thus lose his Warheit stock.

On my earnest advice against his assuming this burden in a hopeless fight he said he would think the matter over. Imagine then my surprise to receive from him the next day—August 20, 1915—the letter which he has embodied in his communication to your committee, addressed to me, marked "Personal," which I am now told he published shortly thereafter in a new paper that he started as proof of his independence of political control. That paper's existence was, I am told, as brief as the life of the Leader. When I received this letter from Miller the next day I read him this letter and asked him if this fellow was crazy. He replied, "I can not understand what he means." Sometime later Judge Levy explained to me that Miller had said to him, "That won't hurt Mr. Untermeyer, and it may be useful to me some day." That is the only reason I know for that letter.

Second, as to the citizens' committee on food shipments.

In my telegram sent your committee when the statement appeared in the newspapers that this committee was organized at my house, I have briefly summarized about all there is to be said on this subject except that I have since ascertained that the committee was not organized at my house, as has been asserted, but at the house of Dr. J. H. Wolf, in New York City, where a number of meetings were held, and that its membership included some of the most eminent physicians in America. The location of the place was found to be inconvenient, and I have just learned that upon request Mrs. Untermeyer consented that the committee might thereafter meet at her house, which was more centrally located. I have just secured a copy of the pamphlet of this committee. I do not know whether it has been put in evidence or not. Has it, Maj. Humes?

Maj. HUMES. I think it has not.

Mr. UNTERMAYER. The pamphlet is entitled "Are You Neutral in Your Sympathies for Little Children—the Innocent Victims of War?" It goes on and shows the names of physicians, clergymen, and women, and members of the citizens' committee, and among the list of women appears the name of Mrs. Untermeyer. My name nowhere appears. I knew nothing about it. Then there is a summary of the work of the committee, then later appears:

The aims of the committee are threefold:

One, the committee aims to spread accurate information concerning the best way of sending parcel post to Germany and Austria Hungary.

Since the formation of the Citizens Committee for food shipment, the Postmaster General has announced that he had been forced to suspend the United States parcel post to Germany and Austria Hungary, but that he has taken immediate steps to open new channels. Several plans are under discussion, and as soon as a decision is reached the Committee and sub-committees will announce it. Those who prefer sending their parcels may then do so.

2. The committee secondly aims to collect money for the purchase of condensed milk and other food at wholesale prices and to make up and send packages to designate addresses, either to individuals or to the ministers in towns or villages where the donors desire the distribution of their gifts.

Three dollars sent to the treasurer will pay for the contents and the postage and free delivery of one package.

3. The committee finally aims to offer to the administration in Washington the best argument for haste in the resumption of parcel post to Germany and Austria-Hungary, viz: the largest possible list of prospective patrons. Cash in hand talks loudest. Contributions should, therefore, be sent at once.

All that Mrs. Untermeyer knew about the business was that the purpose of the committee was to procure funds and secure the aid of the State and Post Office Departments in sending milk to the starving babies of Germany and in lifting the British blockade to that extent. In this I understand the committee succeeded for a short time, but the State Department was unable to secure the continuance of the privilege and thereupon Mrs. Untermeyer resigned. It seems that Mrs. Untermeyer's brief experience in trying to help the babies cost her about \$700. She never knew or heard of any other purpose connected with the activities of the committee, and I have not known or heard of any other.

I was in ignorance of the whole business, never was asked for or contributed a penny and never attended or knew of their meetings which were, however, apparently not only for a proper but for a highly laudable and public-spirited purpose and which I would doubtless have encouraged if I had been asked to do so.

Meantime, as heretofore stated, as evidencing my "pro-German proclivities," it is costing me at the rate of over \$25,000 a year for rent and advertising toward supplying milk to French babies. That venture has been very successful and the committee is still in possession of my house at 675 Fifth Avenue, free of rent, and is actively at work.

Third, as to my letter of February 19, 1916, to Dr. Albert:

The incident referred to in that letter was so fleeting and unsubstantial that it had entirely escaped my recollection when I was first asked about it. I did not then even recall that there had been such an attempted negotiation or that I had written any letter, so completely had that thing faded from my memory, like many things that do not materialize and are accordingly dismissed. I did not even at the moment recall whether my talk had been with Bernstorff or Albert. Since the subject has been agitated I have given it much thought and it now all comes back to my mind. Nothing was ever done about the thing. The nebulous business proposition which I discussed with Dr. Albert of his investing money in an American owned and controlled newspaper apparently did not appeal to him for I heard nothing further from him beyond a note saying he was communicating with his friends. A week after writing the letter, which was written from Florida, I left there and a week later sailed for South America for a two-months' stay.

The negotiation, if it can be dignified by that name, was conducted by one of my friends, a well-known and experienced newspaper man. This was before I mentioned the subject to Dr. Albert or had any thought that he might be interested and was for our joint account. I never came in contact with the proposed vendors; it never reached that stage. The talk about this evening and morning paper being in the market had been common gossip for a long time and we were anxious to acquire it on proper terms. I had discussed it in 1913 before the European war with the same friend, at a time when he was considering the purchase of the Evening Post that was then

supposed to be for sale. We have been and are still in negotiation for another paper on his behalf.

On learning that the paper referred to in my letter to Dr. Albert might possibly be had I suggested to him, as it now appears, not a majority, as has been claimed, but a minority interest; that is, a four-sixth interest, from which we were to reserve an interest of one-fourth in the paper, which would leave him and his friends five-twelfths and would leave seven-twelfths to the American interests, including the one-third that the former owners were to retain. Even that was conditioned on our receiving an option to buy back sufficient of the five-twelfths thus sold to give us, together with our one-fourth, a clear majority without respect to the other one-third held by the former owners, on a basis of Dr. Albert and his friends, of course, receiving a profit on the optioned stock, the amount of which would have had to be the subject of future discussion if it were found that he was interested and if the paper could be had on proper terms, neither of which situations ever materialized. The idea of a minority interest in the paper, with the right to us to buy back the bulk of that interest, even at a profit, evidently did not appeal to Dr. Albert and his friends.

That, however, did not interfere with my friend thereafter continuing to pursue the negotiation, until he found that the owners were not willing to give him an option to enable us to investigate the financial merits of the enterprise and insisted on our buying in the dark, which we were, of course, unwilling to do, and there the matter finally ended. This latter information, however, came to me some months later on my return from South America.

The way I happened to learn that Dr. Albert might be interested in the effort that was then under way by myself and my friend to acquire a paper was purely accidental. The circumstance comes back to me now. I was recounting to my experiences of the great fortunes that had been made by enterprising men in the newspaper field. I instanced the purchase of the New York Times by Mr. Ochs when it was in the hands of a receiver with a daily circulation of 9,000 and was losing at the rate of \$200,000 per year. I had been professionally connected with that transaction when Mr. Ochs took it over. I instanced also among a number of others, the cases of the New York World with about 15,000 circulation per day when Mr. Pulitzer bought it for a trifling sum and of the New York Journal when it was purchased under similar conditions by Mr. Hearst and is now said to be earning over \$1,000,000 a year, I think \$1,200,000.

I told Dr. Albert in substance that my friend was one of the most experienced and in my judgment one of the ablest newspaper men in the country and had been an upbuilder of properties of that character and that he and I believed the property had tremendous possibilities in the way of profits.

It is interesting in this connection, as bearing on the accuracy of our judgment of the business proposition, to note that my predictions on that subject are already well on the way to being more than fulfilled. The papers were afterwards sold. Notwithstanding the almost prohibitive price of white paper and of all other materials entering into the present cost and the great advance in labor the evening paper alone, that was then represented as earning \$62,000

is said to be now earning over \$400,000 under the new management and, in my opinion both papers have just about fairly started on their careers of prosperity. It would not be at all surprising to find them soon yielding 50 per cent and upward per year on their cost.

But to resume: Dr. Albert expressed a desire to have the opportunity of interesting his friends on a purely business basis and I told him that if anything was started I would let him know, which I did by the letter of February 19, 1916, from Florida. He seemed entirely familiar with the law, that if he became interested his interest would have to be fully disclosed. It may be that that circumstance also had something to do with his declining to participate, although he did not so state.

The phrase in my letter of February 19, 1918, written from Miami, Fla.—

My friends would be willing to take a one-fourth interest provided some arrangement could be made giving them the option to acquire the majority interest, say after the lapse of one or two years from the close of the war, which would afford every opportunity that could possibly be wanted.

has been torn from its context and an interpretation put upon the clause that will not bear analysis, although the whole matter is in itself of no significance. It is now sought to contort the phrase into an invitation to Dr. Albert to use the paper into which we were to put \$750,000 of our money for a one-quarter interest and in which he was invited to acquire only a minority interest to promote German propaganda although there is nowhere a suggestion that there was to be any secrecy about the transaction and he could not have held a secret minority interest to promote German propaganda without violating the law.

I am sure that a moment's thought will convince you that his is an impossible construction and that it could not have meant anything of the sort. It was intended to persuade him that the requirement that we be given an option on sufficient of his five-twelfths to give us with our then holdings a majority, without reference to the one-third retained by the then owners, would still leave Albert a substantial interest in the property and ample opportunity for profit, for we would, of course, have had to take back the optioned stock at a substantial advance, if we exercised the option and if we failed to do so our \$750,000 in cash would be indefinitely tied up in a minority holding. Meantime, he would have had an opportunity for the profits on his holdings. As events proved it would have been a magnificent venture for him.

My tentative suggestion as to the duration of the option—"say after the lapse of one or two years from the close of the war"—was based, as I recall it, on the idea (perhaps not very clearly formulated in my mind at the time, as the occasion for adjusting terms had not yet arrived and it had never been discussed with Dr. Albert), First, that we would want time to develop the business so as to know definitely how the venture would succeed under normal peace conditions before being called on to exercise our option, especially as we would have to pay a substantial profit for the option and it would be impossible for us to make such a test with the constantly rising price of materials and labor under the impetus of the foreign demand.

due to the war; Second, that it would be difficult to raise the large sum required to take up the option under war conditions; Third, that while Albert remained in this country, which he would have to do, as he could not get home until the close of the European war, he would want an opportunity during that time to reap his share of the returns from the business if it proved prosperous; and, Fourth, that he would then want to return home and would probably not care longer to leave this investment impending here in the form of a continuing option to us without being here to watch over the investment.

If I had suggested the option for a fixed term it might end before we were prepared to decide or be able to act because of money conditions or of our inability to determine whether we wanted it, unless it were for a long term, to which he would probably not have agreed. The whole plan was, of course, conjectural, but the thought was that we must have the option on sufficient of the stock to give us the control before considering an investment of \$750,000 in a small minority interest. On the other hand, I wanted to make the option conditions sufficiently attractive to him to secure his participation, but always with due regard to our safety and the certainty that we would have a fair chance to test out the possibilities of the property under peace conditions before we put more money into it.

As far as we had gone, this tentative proposal involved our getting under the option sufficient of Dr. Albert's stock to give my friends, with our one-quarter, the virtual control without regard to the one-third retained by the former owners. That meant that Albert would have to give up, under the option, at least three-twelfths of his five-twelfths, which, together with the one-quarter that we were to get at the beginning for our \$750,000, would give us, in any event, at least six-twelfths, or one-half, the stock independently of the one-third that was being retained by the old owners. One-half was virtually control with another one-third in the other American hands, and my friends had, of course, no idea of going into the venture unless we could get at least that kind of control independently of every other interest. All experience has shown that a newspaper property can not succeed without concentrated control—and that is what we were seeking. That arrangement would at no time have given Albert more than five-twelfths and would still have left him and his friends, after the exercise of our option, with possibly two-twelfths, or one-sixth, of the stock; and they would, of course, have been entitled to a substantial profit on the three-twelfths, or one-quarter, on which we exercised our option. The amount of this profit was never discussed, as the business never reached that stage.

There would have been nothing that would have been the subject of just criticism if in February, 1916, Dr. Albert or his Government had seen fit to buy a newspaper either alone or in conjunction with loyal American citizens—if he could have found any fool citizen to join him—for the avowed purpose of openly exploiting the German point of view in a neutral country to secure the sympathy and moral support of the citizens of that country. It was the right of either belligerent to state and espouse its case, and it was in our interest to know both sides of the controversy. The "White Books" and "Yellow Books" and the others were all propaganda, as were the speaking tours of eminent British and French citizens throughout our

country, and the articles written by them, with which our magazines and newspapers were filled before we entered the war. And they were open, proper, and educational propaganda, for which we are indebted to them. What other newspaper propaganda, if any, they may have spread over the country through the mails and the cables, that they alone controlled, we do not know and will never know. but I am sure it did no harm.

If Dr. Albert or the German Government had acquired a newspaper, the law required, as before stated, that the facts as to ownership must be fully disclosed, and they would hardly have dared do otherwise.

But all this is beside the question. No such thing happened. What an asinine performance it would have been from a business viewpoint for my friends to put up or for me to have permitted them to invest \$750,000 in good money, which would have been their initial investment for our one quarter, in order to enable Albert to use the paper for unpopular propaganda? For after the *Lusitania* murders all their propaganda, open as well as secret, was not only unpopular but intolerable, and would have ruined any paper that championed it. Dr. Dernburg's speeches, for instance, that were delivered in universities and elsewhere, and his newspaper and magazine articles, that received respectful attention before the *Lusitania* was sunk, could thereafter get no hearing, until he was finally virtually forced to leave the country.

We might better have thrown our money into the gutter than to have permitted that sort of experiment with it, besides which our option on the other one quarter, which would probably have cost us double that amount, would have been worthless from the beginning, and the whole thing would have been a foredoomed failure upon the mere publication of his interest such as the law required. Everybody knew that.

Dr. Albert might have imagined that it would pay his Government in other ways to make that sacrifice, for it appears that they had all sorts of dreams. But how would it have paid us? Why should we have been willing to throw away \$750,000 for such a purpose?

It is apparent from the letter that no detailed financial plan had been worked out. The time for that had not arrived and never did arrive. On the one hand, we did not know whether we could get the paper on proper terms, and the event proved that we could not have gotten it. On the other hand, we did not know whether Dr. Albert or his friends cared for a minority interest purely as a project with big possibilities for money-making, and the event proved that they did not interest them.

And so the thing died before it was born, but there was no idea of propaganda about it. Whether or not it would have been proper, it certainly would have been foolhardy. We were not venturing a large fortune for any such purpose. If any reasoning mind fails to see that it is because he is determined not to.

Senator WOLCOTT. Mr. Untermeyer, just a little point that I failed to catch: I understood you to have made the point that it would have been financial folly for you and your associates to have invested the sum of money in a newspaper for the purpose of spreading German propaganda, which, at that particular time, was exceedingly unpopular?

Mr. UNTERMYER. Yes.

Senator WOLCOTT. Because it would have meant sure loss of your money?

Mr. UNTERMYER. It could not have been kept secret; it would have had to be open. The law required that all interests be publicly disclosed.

Senator WOLCOTT. Yes; of course.

Mr. UNTERMYER. Because his interest would have had to be disclosed.

Senator WOLCOTT. In the paragraph in the middle of page 19 you seem to depart somewhat from that thought or, at least, to approach the thing from a different angle. That paragraph reads:

"We might better have thrown our money into the gutter than to have permitted that sort of experiment with it, besides which our option on the other one-fourth, which would probably have cost us double that amount, would have been worthless from the beginning, and the whole thing would have been a foredoomed failure upon the mere publication of his interest such as the law required."

Mr. UNTERMYER. I think that should read "upon the mere publication of his interest, if the paper engaged in any propaganda." If it were just a business proposition, and if it were truly a pro-American paper, the fact that he had a minority interest in it would not have hurt it in 1916.

Senator WOLCOTT. That is the point that I was referring to.

Mr. UNTERMYER. Yes; that is badly expressed, and I am indebted to you for calling my attention to it.

Senator STERLING. Why, upon the mere publication of his interest in it, would it have been a foredoomed failure?

Mr. UNTERMYER. As I have explained, upon Senator Wolcott calling my attention to it, it should have read "upon the publication of his interest, if the paper were engaging in pro-German propaganda in 1916"—which this was in February, 1916—and should it have appeared that Dr. Albert or the German Government had a substantial interest in it, the venture could not have succeeded.

Senator STERLING. You mean by that that it was then known that Dr. Albert was interested in German propaganda?

Mr. UNTERMYER. No; but when he took his interest it would have had to be published. It was a crime not to do so.

Senator STERLING. That is to say, simply his interest in the newspaper and not any publication or expression of his sympathies, pro-German or otherwise?

Mr. UNTERMYER. Well, you see this was after the sinking of the *Lusitania*, which made public sentiment in America almost solidly proally, I think. Now, if he had taken an interest in this paper, and then this paper had attempted to defend German interests or to engage in German propaganda, the paper would have been thereby permanently destroyed; but the mere fact that he had an interest in it, if the paper were a good pro-American paper would not in itself have destroyed it. It would not have hurt it, in my opinion.

Senator WOLCOTT. Two things conjoined; Dr. Albert, a German, being one of the owners, and the paper engaging in German propaganda—those two things in conjunction would have assured destruction of the venture?

Mr. UNTERMYER. Yes; but simply his connection with it, alone, would not, in my opinion, have hurt it.

Senator STERLING. It was not the fact that he was a German, but that he was a German with strong German proclivities, and strong sympathies for the German cause.

Mr. UNTERMYER. Yes. He was a representative here of German interests in America, and so known.

Senator STERLING. Exactly.

Mr. UNTERMYER. And it would have been regarded as a German Government paper, if it had engaged in German propaganda; but if he merely took an interest, and that was a minority interest, and high-class American publishers, men known all over the country, had the control and management of that paper, and it did not engage in any such propaganda, it would not have hurt it. His money was as good as anybody's else.

Senator STERLING. You knew him at all times during these negotiations as a representative of German interests in America, did you not?

Mr. UNTERMYER. I did not know him when he first came here. I think he first came as a representative of a private corporation. I do not think he was connected with the embassy at the beginning. My recollection is that it was not until sometime afterwards. That was the time I knew him.

Maj. HUMES. Do you mean in 1904, the time he first came to this country?

Mr. UNTERMYER. I did not know that he was here in 1904.

Maj. HUMES. He was here in 1904 at St. Louis at the time of the World's Fair. I thought possibly you were referring to that time.

Mr. UNTERMYER. No. I never knew him until 1915 or 1916; I do not know which it is. I did not know that he had ever before been in this country.

Maj. HUMES. You knew, or at least know now, that he came to this country in the fall of 1914 as a representative of the German Government?

Mr. UNTERMYER. I understood he did not originally come as a representative of the German Government.

Maj. HUMES. Did he not come as the commercial attaché of the embassy?

Mr. UNTERMYER. I understood not. I understood he came first as representing a corporation of a very unpronounceable German name—a very long German name.

Maj. HUMES. Was it the Central Purchasing Agency?

Mr. UNTERMYER. How is it in German?

Maj. HUMES. The Zentral Einkaufs Gesellschaft.

Mr. UNTERMYER. Yes; that is it.

Maj. HUMES. Was not that the Government purchasing agency itself?

Mr. UNTERMYER. I do not know, Maj. Humes. I never had any transaction with them at all, except as I have stated here, when their counsel asked me to write a letter to somebody, so I had no knowledge of their business; never heard of any of their other transactions.

Now, I will finish reading this; it is just half a page, if I may.

Maj. HUMES. Yes; proceed.

Mr. UNTERMYER. I do not recall ever having known or met Dr. Fuehr nor of his having at any time called at my office. I did not know that he was connected with a German publicity bureau or that there was such a thing in existence. I gather from the newspapers that among the papers introduced in evidence before you is a letter from Mr. Viereck to his mother or father to the effect that if he or any of his publications got into trouble, he expected me to act as his counsel in defending his interests.

Although I knew Mr. Viereck, and have known him for many years as a member of the American Poetry Society, he was quite a distinguished poet, and the American Poetry Society held its annual meetings at my country place for many years before the war, up at Greystone, in Yonkers, and I had known him as a poet——

Senator STERLING. You mean before 1914?

Mr. UNTERMYER. Yes; I think I have known him, in one way or another, for 10 or 15 years, as a poet, and a very good one, too. I know nothing whatever about his activities except what I have read, but if he had any such expectations they had no basis, as I had never agreed to do anything of the kind. When he asked me I declined, not because it would not have been proper for me to have done so, from what I then knew concerning him, but because of the reasons I have already given, that applied to all such offers of retainers.

I beg to apologize for having imposed upon you this long and dreary statement, but as libels travel so much faster than the truth, so, too, it takes longer to disprove than to assert them. I have endeavored here to cover everything, and believe I have done so. Yet it may be that I have not. If I have not, I would be glad to have Maj. Humes call my attention to anything that has not been covered.

Maj. HUMES. I gather from your statement, first, that you did have some conference with Dr. Albert as to the desirability of his making an investment in this proposed newspaper?

Mr. UNTERMYER. Certainly.

Maj. HUMES. When and where was that conference?

Mr. UNTERMYER. I think it was at my office. I am not sure whether it was at my office or at my house.

Maj. HUMES. How well did you know Dr. Albert at that time?

Mr. UNTERMYER. That was in 1916. Well, I think I had met him probably half a dozen times.

Maj. HUMES. In connection with business transactions, or purely in a social way?

Mr. UNTERMYER. No; I had met him in a social way, but I had never had any business transactions with him whatever. He had called at my office, and he had frequently endeavored to interest me in their affairs and in business transactions, but I had never accepted, as I have said, any retainer to do so, although I had, at times, when he asked my judgment about things, very frankly given it to him.

Maj. HUMES. Did you, after your conversation with Dr. Albert, undertake to negotiate the purchase of any other newspaper, except this one?

Mr. UNTERMYER. It was not after my conversation with Dr. Albert that I undertook to negotiate this one. I have stated, and very

plainly, that this negotiation was then under way, before we ever heard of Dr. Albert in connection with it, and that when I spoke to him, I spoke to him incidentally, with the idea of suggesting that he might want to take an interest; but the negotiation was under way, as I have very fully explained, and it continued after he said that they did not want to have anything to do with it.

Maj. HUMES. Is it not a fact—or at least, is it not susceptible of the construction that you meant in your letter to Dr. Albert—that the one-fourth interest which your client was to retain was the one-fourth of the contemplated four-sixths for which you were negotiating?

Mr. UNTERMYER. I do not think so. It may be, but that is not what was in mind by anybody.

Maj. HUMES. If that was meant, then Dr. Albert would have had one-half of the capital stock of the paper?

Mr. UNTERMYER. Let us see. I have not figured that.

Maj. HUMES. Four-sixths, and one-quarter of that you were retaining, which would have left three-sixths for Dr. Albert, would it not?

Mr. UNTERMYER. Yes; that would have left three-sixths, if that had been true, but that was not true. Nobody dreamed of that. You must not forget, Maj. Humes, that the management and control of this paper that I was buying was to be by a newspaper man and a man of experience in the newspaper world and that we had to have control of it. Nobody would have dreamed of putting up the money without that.

Senator NELSON. Have you any objection to stating who that man was?

Mr. UNTERMYER. I do not object to stating it to the committee. I have been dragged into this thing and I do not want to drag any more people into it than can be helped. Might I write it for the committee?

Senator NELSON. Yes; just hand it to the chairman.

Senator OVERMAN. Yes; just hand it to me.

Mr. UNTERMYER. Yes [handing slip of paper to the chairman]. I think Maj. Humes knows. If you do not know, Maj. Humes, I would be very glad to tell you.

Maj. HUMES. I think I know who it was.

Mr. UNTERMYER. Yes; because he appeared before the grand jury in Washington.

Maj. HUMES. Yes; I am familiar with that.

Senator KING. I think that should not be put in the record.

Senator OVERMAN. No.

Mr. UNTERMYER. He was one of the oldest and, I think, one of the best-known newspaper men in the United States.

Maj. HUMES. He is probably connected with other publications?

Mr. UNTERMYER. Yes; with other important publications.

Maj. HUMES. Mr. Untermeyer, I call your attention to one statement in your letter—

Mr. UNTERMYER (interposing). You mean the letter of February 19, 1916?

Maj. HUMES. Yes; your letter to Dr. Albert. In that letter you state, with reference to the retaining of a one-quarter interest by your client and the option to be exercised after a lapse of one year or two

years from the close of the war, as follows, "which would afford every opportunity that could be possibly wanted." Now, what was the possibility that was desired there at that time? Was it for propaganda for the purposes of Dr. Albert, or was it for the welfare of your client?

Mr. UNTERMYER. I have told you, Maj. Humes, that there was no propaganda, and I do not think it is quite proper to put a question of that kind.

Maj. HUMES. It is intended in an inoffensive sense.

Mr. UNTERMYER. Well, the word is inoffensive, but I have explained that very fully.

Maj. HUMES. Was it the opportunity that Mr. Albert wanted that you had in mind?

Mr. UNTERMYER. No; let me explain. It was the opportunity that we wanted, which I have fully explained, which would afford all the opportunity that could be wanted. That is, we did not propose to go into this thing if we had to exercise our option under the exceptional conditions of the war, when we probably could not borrow the money even if we were satisfied that the paper was a great success, nor could we determine whether it was going to be a success until normal conditions were resumed. Then, on the other hand, Dr. Albert would have gotten in that way his share of all the profits of the paper until the option was exercised, and then when the option was exercised, of course, we would have had to pay a substantial profit on that option. We did not expect to get it for nothing, and he would not only have his option but probably if it was exercised he would get his one-sixth interest remaining for nothing, and perhaps get his money besides.

Senator NELSON. Your opinion, then, is that Mr. Albert was in this country for the purpose of investing in newspaper enterprises in order that he might make money?

Mr. UNTERMYER. My opinion is that Dr. Albert was a very clever business man, and my information is that he invested in a great many things in which he did make a great deal of money—business enterprises here.

Senator NELSON. And that is what he was here for?

Mr. UNTERMYER. No; I do not say that is what he was here for.

Senator NELSON. You had no idea that he was here in the interest of the German Government?

Mr. UNTERMYER. I did not say that, Senator Nelson.

Senator NELSON. I do not ask you what you said. I ask you now, had you no idea that he was here in the interest of the German Government?

Mr. UNTERMYER. Of course, I knew he was here for the German Government after a certain time. The question that was asked me was whether I knew, when he first came here, that he was acting in the interest of the German Government.

Senator NELSON. Was he here in the interest of the German Government at the time that you had this newspaper negotiation with him?

Mr. UNTERMYER. I think he was then connected with the embassy.

Maj. HUMES. You knew that at that time?

Mr. UNTERMYER. Yes; I knew that.

Maj. HUMES. Now, I call your attention to another paragraph in your letter:

I shall be glad to hear from you as to whether you are in position to take up this subject seriously and promptly with me and bring it to a conclusion.

Mr. UNTERMYER. Yes.

Maj. HUMES. If you were, only as a favor, going to permit Mr. Albert to have a minority interest in the paper, why was it necessary for him to bring the transaction to a conclusion?

Mr. UNTERMYER. In the first place, I have never said that I was doing it as a favor and never intimated I was doing it as a favor. On the contrary, I was making him a business proposition. There was no favor about it. I thought it was an attractive business proposition, and it has turned out to be an enormously attractive one.

Maj. HUMES. In other words, you were willing to take him in on what you considered a good transaction?

Mr. UNTERMYER. I was willing to take him in in order to get about a million and a quarter dollars that we did not want to put up.

Senator OVERMAN. What paper was it? Have you any objection to stating?

Mr. UNTERMYER. It has been published, I think, in the newspapers that it was the Morning and Evening Sun. I would not have stated it, but it has been quite fully stated.

Maj. HUMES. Mr. Bielaski so stated.

Mr. UNTERMYER. Yes; I think the evidence shows that. I never came in contact with the people at all. The negotiation never got that far. I never met any of them.

Maj. HUMES. At that time you knew that Mr. Albert, if he made the investment, was going to invest the money of the German Government?

Mr. UNTERMYER. No; I did not.

Maj. HUMES. You knew it upon receipt of his reply, did you not?

Mr. UNTERMYER. No; I do not think that cable reply stated. He said he was sending a cipher cable to Berlin and would let me know. There were lots of Germans who were investing great sums of money in this country in 1916 wherever they got the chance.

Maj. HUMES. Let me quote to you from that letter:

I have sent at once a cipher cable to Berlin asking for authorization to take up the subject.

Mr. UNTERMYER. Yes.

Maj. HUMES. Now, if it was a personal investment he was making, it was not necessary to secure an authorization from someone else, was it?

Mr. UNTERMYER. Yes; because I did not understand, and you will see that we did not understand, that he was going to do it alone. I assumed he was going to get other people to go into it with him, and I did not know and did not care who it was as long as the money was forthcoming and as long as we controlled our paper. That is all. If he thought it was good business and good money——

Senator OVERMAN (interposing). You would not have cared if you had known German money had gone into it, would you?

Mr. UNTERMYER. Not at all. I would not have cared anything about it in 1916 if they had a minority interest; not in the least. if

we controlled this paper and it was a business proposition. I considered it splendid business, and am very sorry we lost it.

Senator NELSON. How can you account for the fact that Albert wanted to communicate with Berlin before he closed the transaction?

Mr. UNTERMYER. I assumed that whoever his friends were there he would have to communicate with them.

Senator NELSON. Who had you supposed his friends there were?

Mr. UNTERMYER. I supposed he had in the financial world as well as the Government hundreds of friends.

Senator NELSON. You had no suspicion, then, that he wanted to communicate with the German governmental authorities?

Mr. UNTERMYER. I did not consider the thing at all, Senator Nelson. Let me tell you how it lay in my mind.

Senator NELSON. You had no suspicion at that time that he intended to communicate about this matter with the German Government at Berlin?

Mr. UNTERMYER. I did not consider it, and it made no difference to me.

Senator NELSON. And you did not care?

Mr. UNTERMYER. I want to add, if you will let me, that when that answer came, I was just about on the way to South America, and never thought of it again. That answer, I think, is dated in March, is it not, Maj. Humes? Just about the time I left for South America, I think. That is all I had to do with it. That ended it.

Maj. HUMES. It is dated February 23.

Mr. UNTERMYER. I think I left Florida on the 26th of February.

Senator KING. As I understand your position, Mr. Untermeyer, it was something like this: At that time, as you understood, Mr. Albert and other Germans were investing from time to time in the United States various sums of money, as they had been doing prior to Germany's entrance into the war?

Mr. UNTERMYER. Very large sums.

Senator KING. And you were perfectly willing to associate yourself—that is, your client was perfectly willing to associate himself with a German or with persons representing German money, provided you or he could get control of the enterprise, and had a majority of the stock?

Mr. UNTERMYER. Yes; provided we had absolute control, and provided they thought it was good business in which they could make money as a business proposition. That is all there was to it.

Senator STERLING. You knew at the time of these negotiations of the relations of Dr. Albert to the German Embassy, did you not?

Mr. UNTERMYER. Oh, yes.

Senator STERLING. Now, could you imagine Dr. Albert's desire to acquire a great newspaper in America for any other purpose than to promote the German cause and German interests?

Mr. UNTERMYER. Yes; I could imagine not only his, but any other shrewd investor picking up that property at that time, which Mr. Munsey has since picked up and is making a fortune out of it.

Senator STERLING. Could you imagine Count von Bernstorff being interested in a newspaper for any other purpose than the promotion of the German cause or German interests and creating sympathy for the German cause?

Mr. UNTERMYER. No; but I think Count von Bernstorff was in a different situation, because he was the ambassador here, and ambassadors do not engage in business, but a commercial attaché who is a business man and a merchant and an investor and to some extent a speculator, as he was, in large amounts, as I am told, would be very likely to see a business opportunity as we saw it, and would be glad to have an interest in it.

Senator STERLING. And you think he would do that independently altogether of any good that might be accomplished for the German cause?

Mr. UNTERMYER. Yes; as he did many other things for himself.

Senator STERLING. Did he invest in any other newspapers?

Mr. UNTERMYER. I do not know.

Senator STERLING. You say when this matter was first called to your attention you were uncertain whether your conversation in regard to it was with Bernstorff or Dr. Albert?

Mr. UNTERMYER. Yes; I so stated. I did not remember it at all.

Senator STERLING. Then you must have had in mind that Dr. Bernstorff was somewhat interested in the acquisition of such a paper?

Mr. UNTERMYER. I did not know with whom the talk took place. I did not remember anything about it, until I thought it all over.

Maj. HUMES. Did you discuss the newspaper situation with von Bernstorff at any time?

Mr. UNTERMYER. No; I never did.

Maj. HUMES. Did you know Dr. Fuehr?

Mr. UNTERMYER. I do not remember ever having seen Dr. Fuehr.

Maj. HUMES. Was he ever at your house?

Mr. UNTERMYER. Not to my knowledge.

Maj. HUMES. Was he not on the 12th of January, 1916, at your house, and did he not spend the evening with you discussing press matters?

Mr. UNTERMYER. No, sir; that is not true.

Maj. HUMES. Then, if the diary of Dr. Fuehr shows that upon the night of January 12, 1916, he was at your house discussing press matters, his diary is wrong, is it?

Mr. UNTERMYER. Yes; I think it is a lie.

Maj. HUMES. It is incorrect?

Mr. UNTERMYER. There may be a great many other lies in it. Is there such a statement in that diary?

Maj. HUMES. Yes, sir. After you returned from Florida, and before you went to South America, did you see Dr. Albert or have any conference with him?

Mr. UNTERMYER. No; I do not think so. I do not recall any at all. I think that ended the whole business. That is my recollection.

Maj. HUMES. Did you not on March 5, 1916, have a conference with Dr. Albert?

Mr. UNTERMYER. I do not know, Maj. Humes. I do not recall any. I do not keep any such diary as you have there. I think I left about that time, on the 5th or 6th, for South America. I am not sure of the date. It would not be at all impossible that I had seen him on the 5th of March.

Maj. HUMES. Could it be possible that you talked to him over the telephone during that time?

Mr. UNTERMYER. Why, quite possible. I talked to him occasionally on the telephone.

Maj. HUMES. Now, is it not a fact that on March 4 Count von Bernstorff was in New York, and that there was a conference at that time between you and Dr. Albert and Count von Bernstorff?

Mr. UNTERMYER. I do not recall any such occasion.

Maj. HUMES. Did you ever have a conference at which both Dr. Albert and Count von Bernstorff were present?

Mr. UNTERMYER. Yes; I did.

Maj. HUMES. How many times did you have such conferences?

Mr. UNTERMYER. I think once; but not with respect to this subject, nor at this time.

Maj. HUMES. Did that conference pertain to newspapers and the purchase of newspapers?

Mr. UNTERMYER. No, sir. I do not recall ever having spoken to Count Von Bernstorff on that subject.

Maj. HUMES. Were your interviews with Count Von Bernstorff of a personal nature or did they pertain to business matters?

Mr. UNTERMYER. I had very few with Count Von Bernstorff. I think I had met him only two or three times in all the years that he was here. One of them pertained to a matter about which he wanted me to advise them, and the others I think were purely personal. He was at my house at "Graystone" once.

Senator STERLING. When was that?

Mr. UNTERMYER. I can not fix the date except in this way. It was shortly before Dr. Buenz of the Hamburg-American Line was placed on trial in New York. Shall I state the whole thing? I would be glad to do so. Dr. Buenz with others, I think, had been indicted on a technical charge of violating our neutrality by coaling some warships outside the harbor. He was the president of the Hamburg-American Line and had lived in this country for many years. He was a very old man, 70 years and upwards of age, I think, and like a great many thousand other people, I knew Dr. Buenz. I had declined to act for or defend Dr. Buenz in that affair. It seems that the trial was about to come on and Dr. Buenz's counsel had advised the Embassy that there could be no conviction in the case; that there were insuperable legal obstacles and they were very strongly of the opinion that he should go to trial. I believe there had been some talk of his being let off with a fine if he pleaded guilty, but he did not want to plead guilty and they did not want him to—his lawyers did not want him to; they were all perfectly sure about his acquittal, so the lawyers came up to my house with Mr. Albert, Dr. Buenz, and Count Von Bernstorff, and they wanted my judgment as to what they should do. Dr. Buenz was very anxious to know what to do. They put the situation before me, stated their legal proposition, and I told them that I thought the thing for them to do was to plead guilty. They did not take my advice, but went to trial and Dr. Buenz was convicted and sentenced to prison. That was the only occasion. It was purely as an act of kindness to a man 70 odd years of age, in great distress, not knowing what to do and not doing what he ought to do after he was told.

Maj. HUMES. Now, Mr. Untermyer, were you acquainted with Dr. Rumely; I mean in 1914, 1915, or 1916?

Mr. UNTERMYER. I think that I had met him once, Maj. Humes?

Maj. HUMES. Did you help him one time in any way?

Mr. UNTERMYER. I never helped him. I never had anything to do with Dr. Rumely or with the Evening Mail purchase; never knew the purchase had been made; never heard of it until it got into trouble in June or July, 1918, about three years after its purchase by Dr. Rumely.

Maj. HUMES. Is it not a fact that when the ownership of the Evening Mail was discovered you approached the alien property custodian as well as others agreeing to purchase the Evening Mail for \$200,000, on condition that the facts were suppressed as to German ownership of the paper?

Mr. UNTERMYER. That is not only not true, but it is a very unjust and improper implication. I have the correspondence here. I represented and still represent the American bondholders of the Evening Mail, Mr. Henry L. Stoddard and Mr. Block. Mr. Stoddard was the former owner, the old owner, of the Evening Mail, one of the oldest newspaper men in America. He sold it to George W. Perkins, and Mr. Perkins, I think, or somebody, made the deal with Rumely. I do not know who it was. At any rate Mr. Stoddard owns \$275,000 of the \$400,000 first mortgage bonds of the Mail, and he owns a great many of the second mortgage bonds, and Mr. Block owns a large number of them. They are conducting the Mail to-day.

Now, when the question was raised of Rumely's ownership in June or July, 1918—not 1915 or 1916, mind you, but 1918—and before there was any publicity concerning Rumely's purchase, my clients became very much concerned that if there was any publicity before they got into control of the Mail, as their Americanism was pretty well known, they feared they would lose the money owing them on their bonds, and I went on behalf of Messrs. Stoddard and Block and put the whole situation before Mr. Palmer, the Alien Enemy Property Custodian. We had a number of talks on the subject, and this is the letter I wrote Mr. Palmer a few day later, as I had promised him, and which has been presented to you, I think, Maj. Humes. May I read it?

Maj. HUMES. No objection, if you desire.

Mr. UNTERMYER (reading):

JULY 5, 1918.

HON. A. MITCHELL PALMER,
Alien Property Custodian,
Washington, D. C.

DEAR MR. PALMER: I beg to apologize for being a few days in default on my promise to submit to you a bid in writing covering the equity in the Evening Mail as represented by its outstanding share capital over and above the bonded debt secured by mortgages on its property and franchises. The delay has been due to the unexpected withdrawal of a purchaser I had in mind and whose name I confidentially disclosed to you, due to his fear that in making this purchase the good-will might be gravely impaired if not entirely destroyed by publicity of the facts of his previous affiliations. The extent of the assurance I was able to offer him following our conversation was not satisfactory.

All other efforts to secure a purchaser have proven unavailing and I have now arranged with a few of the bondholders led by Mr. Henry L. Stoddard (who, I am told, owns about \$229,000 of the First Mortgage Bonds and holds in one way or another a large block of the Seconds) that in order to save their security from the destruction that would follow publicity they will make an offer for the property and I am accordingly authorized to and do hereby make on their behalf the following offer:

(1) Mr. Stoddard will pay for himself and associates \$200,000 for the share capital of the Evening Mail of which \$100,000 will be paid within five days

just following the publication of these articles that
stolen from him?

R. I do not at the moment remember that. Have

Yes. I call it to your attention to refresh your
[ling newspaper to Mr. Untermeyer].

ER. I do not recall it now, as I glance hurriedly
Humes. I saw the reports referring to some letter
that was mentioned in your testimony here "I know
le." I forget the words, but I read it in the news-

(reading) :

very flattering comments on the statement. I know to whom
ed. I do think it was the right thing to do.

MYER. Yes.

Were you not in conference with Dr. Albert on the
seizing or stealing of these papers from him?

MYER. I do not think so.

S. Are you sure whether you were or not?

MYER. Not to my recollection.

ES. Was it not a transaction of sufficient importance to
sed itself on your mind if you had had such a confer-

ARMYER. I can not tell, Maj. Humes, unless I know that I
ing to do with it. Certainly all the publications were not
importance, day by day, to impress themselves on my

MES. Is it not a fact that that article was published by Dr.
er conference with you and in collaboration with you?

ARMYER. I do not think so; no.

MES. Are you sure that it was not?

INTERMYER. Fairly sure; yes. I saw the reference in the
ors to it and saw what you read from Fuehr's diary, and, as
you before the recess, I do not remember ever having seen

HUMES. You remember receiving from Dr. Albert the letter
is cited in the testimony with reference to this matter, do you

UNTERMYER. I did not until I saw it in the newspapers.

HUMES. Did that refresh your recollection?

UNTERMYER. No; it did not.

j. HUMES. You have no recollection of that transaction at all?

UNTERMYER. No; I have not at the moment.

aj. HUMES. When did you first discover that certain of Dr.
rt's papers had been stolen or gotten away from him in some

Mr. UNTERMYER. I do not know. My general impression is that
aw something in the newspapers about it. That is my impres-
n.

Maj. HUMES. Did you have any knowledge of it prior to the publi-
tion of the documents themselves?

Mr. UNTERMYER. I do not think so.

duced to the extent that money is being lost and that there is likely to be a substantial amount of current liabilities over current assets.

I understand that if you have not already done so you will make inquiry as to the value of this equity and that your action upon this offer will be guided to some extent by the result of your investigation.

May I ask that this be done speedily if done at all? It seems to me that in this particular transaction our interests are alike and if you desire any help from me in the way of securing the services of Mr. Don Seitz or Mr. Adolph S. Ochs, whose names I suggested to you, in advising you as to the value of the property, pray do not hesitate to command me. I might add the names of Mr. Norman E. Mack and Mr. Vance McCormick as those of men likely to know something about values of this character but for the fact that New York City properties of this kind are *sui generis* on the subject of market values.

Very truly yours

SAM'L UNTERMYER.

Maj. HUMES. Well, the fact remains then that the offer of \$200,000 was made for the paper, the condition being that publicity be avoided, at least as far as possible.

Mr. UNTERMYER. No; that is not a fair statement of the letter. The letter speaks for itself. There is no condition that publicity be avoided where the commission of an offence against the United States is involved. On the contrary, there is a specific statement that if anything of that kind transpires, the bondholders must take their chance of losing their money, if necessary. This letter is dated July, 1918. It has no connection with the Mail purchase by Rumely in 1915.

Maj. HUMES. The letter also indicates that you had in mind the withholding of the publication of the fact that this paper was an organ for German propaganda prior to the declaration of war by this country, it constituting at that time no violation of the criminal statute.

Mr. UNTERMYER. Unless it involves some legal wrong. In order to protect the purchaser; to protect loyal citizens who had their money in the paper, certainly. It was an eminently proper suggestion, and Mr. Palmer so regarded it.

Maj. HUMES. You represented Mr. Stoddard in that transaction?

Mr. UNTERMYER. Yes; Mr. Stoddard and Mr. Block, the present owners; the people who have the paper now.

(Thereupon, at 1.15 o'clock p. m., the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee reconvened, pursuant to the taking of the recess, at 2.30 o'clock p. m.

TESTIMONY OF MR. SAMUEL UNTERMYER—Resumed.

Maj. HUMES. Mr. Untermyer, do you remember the occurrence of the seizing of certain of Dr. Albert's papers in 1915 and their publication in the New York World?

Mr. UNTERMYER. I remember the occurrence; yes.

Maj. HUMES. You remember that occurrence?

Mr. UNTERMYER. Yes.

Maj. HUMES. Do you also remember an article published by Dr. Albert in the New York papers, among others the New York Times.

on the 20th of August following the publication of these articles that had been seized or stolen from him?

Mr. UNTERMYER. I do not at the moment remember that. Have you got it there?

Maj. HUMES. Yes. I call it to your attention to refresh your recollection [handing newspaper to Mr. Untermeyer].

Mr. UNTERMYER. I do not recall it now, as I glance hurriedly through it, Maj. Humes. I saw the reports referring to some letter of Dr. Albert's that was mentioned in your testimony here "I know who is responsible." I forget the words, but I read it in the newspapers.

Maj. HUMES (reading):

I have heard very flattering comments on the statement. I know to whom they are addressed. I do think it was the right thing to do.

Mr. UNTERMYER. Yes.

Maj. HUMES. Were you not in conference with Dr. Albert on the subject of the seizing or stealing of these papers from him?

Mr. UNTERMYER. I do not think so.

Maj. HUMES. Are you sure whether you were or not?

Mr. UNTERMYER. Not to my recollection.

Maj. HUMES. Was it not a transaction of sufficient importance to have impressed itself on your mind if you had had such a conference?

Mr. UNTERMYER. I can not tell, Maj. Humes, unless I know that I had something to do with it. Certainly all the publications were not of sufficient importance, day by day, to impress themselves on my mind.

Maj. HUMES. Is it not a fact that that article was published by Dr. Albert after conference with you and in collaboration with you?

Mr. UNTERMYER. I do not think so; no.

Maj. HUMES. Are you sure that it was not?

Mr. UNTERMYER. Fairly sure; yes. I saw the reference in the newspapers to it and saw what you read from Fuehr's diary, and, as I said to you before the recess, I do not remember ever having seen Fuehr.

Maj. HUMES. You remember receiving from Dr. Albert the letter which is cited in the testimony with reference to this matter, do you not?

Mr. UNTERMYER. I did not until I saw it in the newspapers.

Maj. HUMES. Did that refresh your recollection?

Mr. UNTERMYER. No; it did not.

Maj. HUMES. You have no recollection of that transaction at all?

Mr. UNTERMYER. No; I have not at the moment.

Maj. HUMES. When did you first discover that certain of Dr. Albert's papers had been stolen or gotten away from him in some way?

Mr. UNTERMYER. I do not know. My general impression is that I saw something in the newspapers about it. That is my impression.

Maj. HUMES. Did you have any knowledge of it prior to the publication of the documents themselves?

Mr. UNTERMYER. I do not think so.

Maj. HUMES. Mr. Untermeyer, is it or is it not a fact that you approached the New York World and endeavored to prevent the publication of those Albert papers prior to their publication.?

Mr. UNTERMYER. I do not recall any such occurrence, Maj. Humes; but if you have anything that would refresh my memory——

Maj. HUMES. Are you acquainted with a Mr. Frank Cobb, of the New York World?

Mr. UNTERMYER. Very well.

Maj. HUMES. Did you not confer with him on the subject of those stolen papers?

Mr. UNTERMYER. It may be, but I do not remember it. It may be that you are right. I do not recall a thing about it now.

Maj. HUMES. If you had conferred with Mr. Cobb in reference to the publication of these papers after they were stolen, at whose instance did you act?

Mr. UNTERMYER. Well, that is rather a hypothetical question, Maj. Humes. I have no doubt that if I did I must have done so because Dr. Albert or some one of his people asked me to do so; but I do not recall doing so.

Maj. HUMES. If you did approach Mr. Cobb with relation to the publication of these papers, you did so at the instance of Dr. Albert, undoubtedly?

Mr. UNTERMYER. Do you not think that is rather a hypothetical question, Maj. Humes?

Maj. HUMES. I do not think it is hypothetical, because you, better than any man except Dr. Albert, would know whether or not you had discussed that subject.

Mr. UNTERMYER. I tell you that I do not recall ever discussing it. Still, if Mr. Cobb says that I did, I undoubtedly must have, because anything he says is true. It may have escaped my memory at the moment, and I may recall it if given an opportunity.

Senator WOLCOTT. It seems to me, Mr. Untermeyer, that it is rather curious that you say that if you discussed it with the New York World man—the question of the publication of these papers—you do not recall it. It seems to me that would be a fact that you would know positively.

Mr. UNTERMYER. Why, Senator Wolcott? I have thousands of transactions. I see all kinds of people. I have been everywhere since then. I do not know when this date was. What year was it, Maj. Humes?

Maj. HUMES. August, 1915; some time between the middle of July and the 20th of August.

Mr. UNTERMYER. A great many of these things will come back to your mind, and will come back to my mind, and to other people's minds when they are asked concerning them. Maj. Humes mentions Mr. Cobb's name, and I assume that he does so because he must have information on the subject. Now, it is very likely. It may have happened and yet have entirely escaped my memory at the moment, and may come back to me as have other occurrences when I have had the chance to think them over or to consult my papers.

Senator OVERMAN. If you did do it, you would not have done it voluntarily?

Mr. UNTERMYER. Not unless somebody asked me to do it. Undoubtedly if I did it it must have been because Dr. Albert or somebody asked me to do it.

Maj. HUMES. If you did do it, you must have had information from Dr. Albert or some of his friends with reference to the stealing of the papers?

Mr. UNTERMYER. Certainly I must. There is no doubt of that.

Maj. HUMES. You stated, in your general statement and in the statement which you gave to the prints a week ago last Sunday, that the only connection that you had with any of these German agents, or anyone connected with the embassy, except with regard to the newspaper transaction that you testified to this morning, was of a social nature, and was the ordinary social intercourse that was common among all of the people acquainted with them.

Mr. UNTERMYER. What I said was that I had never acted as counsel for any of them; that I had never taken a retainer; that I had never rendered a bill; that I had no business transactions with them, except this one.

Senator NELSON. But your answer is what I would call a negative figment. You seem to dwell upon not having received a regular retainer or getting a fee. That is not the point. Did you have under any circumstances, with or without a fee, with or without a retainer, any consultation with them? That is the question.

Mr. UNTERMYER. As a lawyer, Senator Nelson?

Senator NELSON. No; as a citizen—in any capacity, either as a lawyer or as a citizen.

Mr. UNTERMYER. Certainly; I have said repeatedly, and said in my statement, that I had often talked with them.

Senator NELSON. No; but did you consult about these affairs here that they were carrying on in this country?

Mr. UNTERMYER. No. No, gentlemen, I did not do anything of the kind.

Senator NELSON. You never consulted with any of them about these stolen papers that have been referred to?

Mr. UNTERMYER. Not so far as I recall.

Senator NELSON. Well, now, Mr. Untermeyer, that is a little surprising, in a prominent matter like that. If you had talked with these men about it I should think that would have impressed itself on your memory.

Mr. UNTERMYER. I do not see why it should, Senator Nelson. I do not think you realize how many hundreds of things come to a man in the course of time.

Senator NELSON. But you do not have hundreds of cases of stolen papers?

Mr. UNTERMYER. I did not think there was any importance about that, when I read about it or saw about it. It may be he spoke to me before I saw it. That I can not tell. But suppose he did. What on earth difference does that make, and what has that to do with any of these transactions? Suppose I did go to Mr. Cobb and ask him not to publish about this stolen property. I can not see any significance in it, at all. But I do not recall doing so.

Senator NELSON. Now, Mr. Untermeyer, you indicated in your written statement there that before we entered into the war it was perfectly proper for anybody to take sides on any side of this question.

Mr. UNTERMYER. Yes.

Senator NELSON. You, as an able lawyer and a man of vast information and reading—did you not realize from the beginning that if Germany should succeed in conquering and destroying France and England that she would get absolute control of Europe and that we would be the next victim? Did not that occur to you, or dawn upon your mind?

Mr. UNTERMYER. If you have paid any attention to my statement and to the publications that I made, and to the speeches that I made, and to the articles that I wrote, you will see that I was not pro-German at all.

I have tried to impress that on you, and if I can not make that plain, if I have not made it plain in all that I have done and said before the war, I never can, Senator Nelson.

Senator NELSON. I have not had a chance to read all your speeches, or any of them.

Mr. UNTERMYER. But I have quoted a number of them in this document.

Senator NELSON. But here is a question that I asked you clearly, and I would like to hear your views on it.

Mr. UNTERMYER. I shall be glad to give you my views, Senator Nelson.

I always thought it would have been a most unfortunate thing, from the standpoint of America, to have Germany win this war, and often said so, privately and publicly.

Senator NELSON. Yes.

Mr. UNTERMYER. I thought it would have been unfortunate first because Germany had begun the war without provocation; the invasion of Belgium is the thing that first impressed me. Secondly, after the *Lusitania* disaster, I felt very strongly against Germany. But as to the ultimate result upon America of Germany winning the war, I do not think any of us really seriously thought that Germany was going to attack America. So far as that is concerned, I have never felt that way. I have felt that she should be beaten for many other reasons—in the interest of civilization and in the interest of righteousness, but not because of our own personal safety.

Senator NELSON. If those were your views, ought not every patriotic American who took that view of the case to have taken the side of the allies from the start and not waited until the war came?

Mr. UNTERMYER. My answer to that, Senator Nelson, is that if you are not satisfied from all the indications that I have given and from the documents that I have read here that I did take the side of the allies, nothing would ever convince you. But there is this to be said, and I think we should all have it prominently in mind: This country was supposed to be neutral. The President, by proclamation after proclamation, was asking us to be neutral. We wanted to keep out of the conflict. These people were the accredited agents here of a neutral government, and I, in common with every man of any—well, I will not call myself a man of consequence, but I, as well as men of consequence were all anxious to avert war. We could not avert war by simply turning our backs upon the accredited representatives of a neutral country. We were in duty bound to show them the courtes-

due to official representatives of a neutral country. I do not think it had much to do with our personal relations at that time. My personal relations with these gentlemen were friendly, you understand, Senator.

Senator NELSON. That is evident.

Mr. UNTERMYER. My personal relations with these gentlemen were friendly and pleasant.

Senator NELSON. That is evident.

Mr. UNTERMYER. As were the relations of a vast number of people in Washington at whose houses they visited.

Senator NELSON. Yes.

Mr. UNTERMYER. In New York and other places with whom they were on social relations—at the White House, where the President for a long time trusted them; where we all trusted them until we found out what they had been doing.

So that I can not see any reason why we should have immediately started to make enemies of them before there was any danger of our getting into the conflict.

Senator NELSON. Then you had no idea of the propaganda they were carrying on in this country until war came, or until diplomatic relations were broken?

Mr. UNTERMYER. Yes; I did. I knew of their propaganda. I forget when it was made public, but as soon as it was made public I knew of it.

Senator NELSON. Did you not know it before?

Mr. UNTERMYER. Certainly not.

Senator NELSON. None of it?

Mr. UNTERMYER. None of it. I never heard of any of it.

Senator WOLCOTT. What do you mean by "before it was made public"?

Mr. UNTERMYER. Before the newspapers published it.

Senator WOLCOTT. That is to say before the propaganda articles came out?

Mr. UNTERMYER. Yes.

Senator WOLCOTT. None of us knew it until they were published.

Mr. UNTERMYER. I had no more knowledge than any other man had who reads the newspapers. They were mighty careful, perhaps, that I should not know.

Senator WOLCOTT. In other words, you did not know that they had formulated a propaganda plan?

Mr. UNTERMYER. No.

Senator WOLCOTT. Your first knowledge in connection with the matter was the appearance of the propaganda itself?

Mr. UNTERMYER. That is all I knew about it, in common with others—the general public.

The word "propaganda" has been given a very uncertain meaning in recent newspaper articles. We all know that propaganda is conducted by individuals and by corporations and by nations. As I said in my statement the white books, the yellow books, were all propaganda, very proper propaganda, which we were entitled to know.

The thing that is improper is secret propaganda and criminal propaganda. But to take the word "propaganda" and apply it

indiscriminately to every attempt of a nation to get the sympathy of a neutral nation, by showing the justice of its cause, simply abuses the meaning of the word.

Maj. HUMES. Mr. Untermeyer, then, as I understand it, when you say that you had no connection with the German embassy, the German Government, or the German agents, you mean that you had no connection with them in the sense of an attorney representing them as clients in business transactions?

Mr. UNTERMYER. Either as an attorney or as an agent, or as any one who had any business relation with them whatever.

Maj. HUMES. Did you as a friend and an acquaintance intercede in their behalf and assist them or act for them in any way, without compensation?

Mr. UNTERMYER. I do not recall having done so, except in one instance that I have mentioned in my statement.' Let me see, what was that?

Senator KING. Dr. Buenz's case?

Mr. UNTERMYER. Yes; that is about all, I think; and then the Hamburg-American case that I have told you about; I mean the wireless case.

Maj. HUMES. Oh, the wireless case?

Mr. UNTERMYER. Yes.

Maj. HUMES. That was long before the war started as I understand?

Mr. UNTERMYER. No, I do not think so. I think the wireless case between the French wireless and the German wireless was in January, 1915.

Maj. HUMES. Was that the case in which you represented Lemke.

Mr. UNTERMYER. No; I think it was the case in which we represented—I did not, but the firm did. It was a question of law on the construction of a contract, and the firm represented this German wireless company—I forget the name of the company, it is a long, difficult name. Lemke was, I think, either the president or the manager or something connected with it.

Maj. HUMES. You remember the fact of the publication of these World articles—this World exposure?

Mr. UNTERMYER. Yes.

Maj. HUMES. And, as I understand, you are not sure whether or not you participated in the preparation of this Albert letter that appeared on August 20, 1915?

Mr. UNTERMYER. I do not think I did, Maj. Humes; I would like to read it. It is a pretty long document.

Maj. HUMES. I wish you would look at it sufficiently to refresh your recollection, if you will?

Mr. UNTERMYER. It is nearly four printed columns long, is it not?

Maj. HUMES. No; about two and a half, I think [handing newspaper to the witness].

Mr. UNTERMYER. I do not know. It does not seem to refresh my recollection very much. I may have had something to do with it. I do not know. I do not now recall having had. It may have been shown to me and it may not.

Maj. HUMES. Then you are not sure of the significance of this statement in Dr. Albert's letter to you of August 20:

I have heard very flattering comments on the statements. I know to whom they are addressed.

Mr. UNTERMYER. No; because I see from your record here that you have introduced a letter or something from von Papen, in which he states that he and Dr. Albert prepared this statement. I remember that, so I judge from that that they prepared it. This is a letter, is it not, to his wife, or somebody?

Maj. HUMES. Yes; it is a letter to his wife.

In this same letter of August 20 that Dr. Albert wrote you he makes this statement:

Will you please find enclosed draft of a note which I want to write to the State Department.

Mr. UNTERMYER. Yes.

Maj. HUMES. What was the nature of the note he sent to you that was to be prepared for the State Department.

Mr. UNTERMYER. "Which I want to write to the State Department"?

Maj. HUMES. Yes; a draft of a note "which I want to write to the State Department." The first sentence in the letter. That is a carbon copy of the letter from Dr. Albert's files. [Exhibiting letter to witness.]

Mr. UNTERMYER. Yes; I saw that, too, in the public prints. I can not imagine—I suppose you must have gotten the document, did you not, from the State Department?

Maj. HUMES. I have not checked the State Department.

Mr. UNTERMYER. There must be some such note, I mean.

Maj. HUMES. That is what I was inquiring about, Mr. Untermeyer.

Mr. UNTERMYER. I do not remember it. That is the trouble about it, Major. But the State Department would certainly have it in the files.

Maj. HUMES. Did Dr. Albert submit to you, on occasion, notes that he was preparing for submission to the State Department?

Mr. UNTERMYER. No. Yet he may submitted that one. I read that in the newspapers, and I looked over everything I had and I could find nothing of the kind. Yet, undoubtedly it must have been enclosed. But I assumed that you would get it from the State Department or wherever it was and have it, if there was such a paper.

Maj. HUMES. Well, then, there was nothing unusual about his submitting to you the draft of notes that he was preparing for submission to the State Department?

Mr. UNTERMYER. I do not remember this one, and I do not remember ever having seen any note to the State Department, so far as I can recall—never.

Maj. HUMES. But, as I understand, you do not deny that you may have received such note as is indicated by this letter?

Mr. UNTERMYER. Oh, I should judge—is that a copy of a letter?

Maj. HUMES. This is the carbon.

Mr. UNTERMYER. From Dr. Albert?

Maj. HUMES. Of Dr. Albert's letter to you.

Mr. UNTERMYER. I have no doubt that I must have received it, but of course I do not know. There could have been nothing very suspicious in a note to our State Department.

Maj. HUMES. He also asked you what you think of it, and to give him your ideas.

Mr. UNTERMYER. I can not find a word on the subject. I looked it up since I saw reference to it in the newspapers, and there is not a line or word in my files of an answer to that letter from Dr. Albert. It is August, 1915?

Maj. HUMES. August 20, 1915.

Mr. UNTERMYER. August 20, 1915? There is not a word. I have not been able to find it; and yet it looks as if it must have happened, you know.

Maj. HUMES. If this did happen, how do you account for the cordial, friendly relation that Dr. Albert must have felt to feel justified in submitting to you papers that he proposed to submit to the State Department?

Mr. UNTERMYER. I account for it very naturally on the ground that our relations were very pleasant and friendly, and on no other ground.

Maj. HUMES. Were not those relations even intimate and confidential?

Mr. UNTERMYER. They were not intimate. I do not think I ever saw Dr. Albert over half a dozen to perhaps a dozen times in my life, over a period of these two or three years, and never before then.

Maj. HUMES. How were you in the habit of communicating with Dr. Albert?

Mr. UNTERMYER. When Dr. Albert wanted to see me, he wrote me or came to the office. I think on two or three occasions he was at my house as a guest.

Maj. HUMES. Was there any other method by which you communicated with him?

Mr. UNTERMYER. I do not know of any; no. It may have been by telephone.

Maj. HUMES. Was he in the habit of telephoning you?

Mr. UNTERMYER. No; I do not think so; but he doubtless did telephone to me.

Maj. HUMES. Did you ever seek conferences with him about these various matters?

Mr. UNTERMYER. I do not recall ever having done so.

Maj. HUMES. Would not this letter indicate that the relations that existed between you and Dr. Albert was more than simply a friendly social relation?

Mr. UNTERMYER. No; I do not think so. That one letter would not indicate it, because I do not think that is the only time on which he asked my advise about things. I think he has done it before, and I think probably he did it afterwards.

Maj. HUMES. About business matters?

Mr. UNTERMYER. No; I would not call them business matters. For instance, take the Buenz transaction that I have told you about. Then, again, he came to me a number of times when people got into trouble—I think in connection with a number of his troubles—and asked me to act, and each time I declined. I think, on one or

two occasions I did suggest counsel when he asked me to do so. I think I suggested Mr. Stanchfield, who acted in some of those cases.

Maj. HUMES. Is it not a fact that Dr. Albert was in constant communication with you with reference to these cases and that the attorneys who appeared as attorneys of record in the several cases were really junior counsel in the case, and you had the actual charge of the practical handling of the litigation?

Mr. UNTERMYER. It is not only not a fact, but it is entirely contrary to the fact. I never had any discussion except on the occasion of the Buenz case with any of his lawyers concerning any of the cases so far as I know, or the merits of them. I do not recall a single instance. I simply did not have anything to do with them, and they were not junior counsel and I was not senior counsel, or any other kind of counsel, and I never saw the indictments; I never saw the pleadings; I never was consulted about them, did not know who they were, who were their counsel, and with what they were charged, or anything about them.

These cases were tried, no end of them, and I think Mr. McCombs tried one—the Tauscher case. I forgot who tried the Koenig case, but there were a number of those cases and a number of different counsel. I never saw the men, never met them, never saw their counsel, never consulted with them, never knew who they were, or had anything to do with any of them; I simply declined to do so.

Maj. HUMES. While you were coming in contact with Dr. Albert, did you ever come in contact with Capt. Boy-Ed?

Mr. UNTERMYER. I think I met all the members of the embassy. In fact, I know I met Capt. Boy-Ed, and I know I met von Papen once.

Maj. HUMES. Did you ever discuss business matters with them, either as attorney or in a friendly way?

Mr. UNTERMYER. No; I do not recall having had any business discussions with them, so far as I recall.

Maj. HUMES. Mr. Untermeyer, do you remember the steamship *Atlantic*?

Mr. UNTERMYER. I remember the case that I have referred to in my statement here, with which the steamship *Atlantic* was connected. That was a controversy between Dr. Albert and a man named Simon, was it not?

Maj. HUMES. Yes. That is, it afterwards developed into that.

Mr. UNTERMYER. But that was the only time I knew anything about it. I never heard about it until Dr. Albert's lawyer asked me to write a letter which I have discussed in my statement.

Maj. HUMES. Who was Dr. Albert's lawyer in that matter?

Mr. UNTERMYER. His lawyers were Hayes, Kaufman & Lindheim. They were the counsel for the embassy, too; the general counsel for the embassy.

Maj. HUMES. Did you ever have any conference with Dr. Albert about this matter?

Mr. UNTERMYER. Yes, I did.

Maj. HUMES. Do you know Carl Heynen?

Mr. UNTERMYER. No; I never saw him as far as I know. I do not remember ever having met him.

Maj. HUMES. Then, I presume you had no conference with him, if you never met him.

Mr. UNTERMYER. I do not remember having met him at all. I do not think I ever saw him.

Maj. HUMES. Can you tell us in what way the steamship *Atlantic* came into the hands of Dr. Albert?

Mr. UNTERMEYER. No; I knew nothing about it, Major, until he and Simon got into some kind of controversy over money. He claimed that Simon owed him a large amount of money, and his counsel discussed with me the beginning of a suit. I think I wrote a letter. Yes; that is all I did—I wrote a letter to Simon. That is the only connection, so far as I remember, that I had anything to do with. I think they were preparing a complaint, or came near doing so.

Maj. HUMES. Is that a photostat of the letter you wrote to Simon in that matter? [Exhibiting paper to the witness.]

Mr. UNTERMYER. That is my signature. Yes; it is. That was written at Mr. Lindheim's request, while he was in my office.

Maj. HUMES. It is on the letterhead of Guggenheimer, Untermyer & Marshall, 120 Broadway, New York.

Mr. UNTERMYER. What is the date?

Maj. HUMES. October 6, 1916, and it reads as follows:

JOHN SIMON, Esq.,

15 William Street, New York City.

DEAR SIR: I have been asked by Dr. Albert on behalf of the Zentral-Erwaufts-Gesellschaft to begin proceedings against you arising out of transactions with which he tells me you are familiar. If you care either in person or through Counsel to discuss the subject-matter of the claims with me, I shall be pleased to have you do so or to have you refer me to Counsel who would accept service of papers.

Very truly yours,

(Signed)

SAML. C. UNTERMYER.

Mr. UNTERMYER. That is the transaction which I outlined in my original statement, and that is the only one I ever had with him.

Maj. HUMES. The steamship *Atlantic* was a ship that had been purchased by Dr. Albert in the name of this central purchasing agent in order that it might be taken out of allied trade and used in trade with South America, was it not?

Mr. UNTERMYER. I do not know anything about it. I did not have charge of the transaction or the negotiations and had never heard of it. I wrote this letter at the request of his counsel because they thought that if I wrote the letter they might be able to get a settlement; and that is all I had to do with it.

Maj. HUMES. Is it not a fact that at your office Dr. Albert and Carl Heynen had a conference relative to this claim against John Simon, and as a result of that conference you wrote this letter?

Mr. UNTERMYER. No; that is not my recollection of it, at all. My recollection of it is that it was through their counsel, because I think there is a letter there—you will find, if you have Dr. Albert's letters—in which he says that the matter is in the hands of his counsel.

Maj. HUMES. Is it a letter to you?

Mr. UNTERMYER. I think it is; yes.

Maj. HUMES. You have not that letter with you?

Mr. UNTERMYER. I do not think I have, but I will send it to you. I will be very glad to do so. It is a very short note, as I remember it.

in which he said if anything came of that note please to take it up with his counsel.

Maj. HUMES. Did you not give Carl Heynen and Dr. Albert a legal opinion that the claim was good as against Simon, at the time of this conference?

Mr. UNTERMYER. Maj. Humes, I do not think there ever was any such conference with Heynen. There is no doubt that Dr. Albert spoke to me about it, but I do not recall any conference with Heynen. In fact, I do not remember ever having met Heynen. Who was he? What was his relation to the embassy?

Maj. HUMES. He was an agent of the German Government.

Mr. UNTERMYER. What was his relation to the embassy? Did he have any official connection with it?

Maj. HUMES. I think he had no official connection with the embassy, but he had charge of Dr. Albert's shipping.

Mr. UNTERMYER. I do not remember him at all.

Maj. HUMES. Is it not a fact that at the time that this matter came to your attention you had in your hands litigation on behalf of John Simon?

Mr. UNTERMYER. No; it is not.

Maj. HUMES. And that you expressed your purpose of withdrawing from that litigation?

Mr. UNTERMYER. No; it is not true that we had any litigation on behalf of John Simon at all. I did not know John Simon; I had never seen him or met him, but later on I learned that Mr. Marshall, a long time before, had organized some company——

Senator STERLING (interposing). Who is Mr. Marshall?

Mr. UNTERMYER. Mr. Louis Marshall. He was my partner. That is, I am not a member of the firm, but I call him "my partner."

Maj. HUMES. When did you cease to be a member of the firm, so that we may fix these dates?

Mr. UNTERMYER. I should say it was at least five or six years ago, but still I am there all the same, and my sons are members of the firm, and my nephews are members of the firm, and while I am not a member of the firm, I work just as though I were.

Maj. HUMES. And the litigation in which you are interested is handled in the name of the firm, is it not?

Mr. UNTERMYER. No; not as a rule.

Maj. HUMES. Is it not a fact that what you are pleased to call your "firm" brought a suit against John Simon for Dr. Albert and this central purchasing agency to recover \$750,000 that they claimed was due as a result of the transactions in connection with the steamship *Atlantic*?

Mr. UNTERMYER. I do not recall that any suit was brought. I understood a suit was threatened.

Maj. HUMES. Well, a declaration was prepared and served, was it not?

Mr. UNTERMYER. I did not know that. I knew of one being prepared, but I had never heard the suit had been brought. It was a private quarrel between those men, you know.

Maj. HUMES. I call your attention to a copy of the declaration in the case of the Central Purchasing Agency against John Simon [handing paper to witness].

Mr. UNTERMYER. Was that ever served?

Maj. HUMES. It is my understanding it was served.

Mr. UNTERMYER. I do not think so.

Maj. HUMES. It may have been only the subject matter of conferences.

Mr. UNTERMYER. I do not think it was ever served.

Maj. HUMES. Was that prepared in your office, by your firm?

Mr. UNTERMYER. I think it was prepared by these lawyers.

Maj. HUMES. Which lawyers do you mean?

Mr. UNTERMYER. I mean the lawyers for the embassy—Hayes, Kaufman & Lindheim.

Maj. HUMES. I call your attention to the fact that the affidavit is sworn to by Albert Untermeyer.

Mr. UNTERMYER. I have not any doubt that it was prepared in the office of the embassy. I do not think it was prepared in our office.

Maj. HUMES. Hayes, Kaufman & Lindheim were the attorneys for the embassy, were they?

Mr. UNTERMYER. Yes; so I understood.

Maj. HUMES. You knew that at the time you had your talk with Mr. Lindheim, and wrote the letter to John Simon, did you not?

Mr. UNTERMYER. Yes.

Senator OVERMAN. You had no connection with Hayes, Kaufman & Lindheim?

Mr. UNTERMYER. No.

Maj. HUMES. Then you were volunteering to assist Hayes, Kaufman & Lindheim, as attorneys for the embassy, in securing a settlement with John Simon?

Mr. UNTERMYER. I was not volunteering, but I was asked by them to write this letter, and I was very glad to write it, because I thought this was a private controversy in which Simon was trying to cheat Albert.

Maj. HUMES. In that letter you say you had been asked by Dr. Albert to write the letter.

Mr. UNTERMYER. Yes; I have no doubt he also asked me.

Maj. HUMES. He probably asked you also?

Mr. UNTERMYER. Very likely.

Maj. HUMES. Now, are you not familiar with the fact that in connection with the steamship *Atlantic* an effort was made to send a shipment of rosin to Archangel, with the distinct understanding on the part of Dr. Albert and the central purchasing agency that the ship would be captured by Germans and be taken into a German port, and that Dr. Albert so admitted?

Mr. UNTERMYER. I do not think you ought to ask me such a question, Maj. Humes. I have told you I never heard of anything of the kind; did not know anything about the *Atlantic*, the ship, or any of these affairs, and you should not have asked me that question, because it carries out broadcast the implication that I knew something of the kind. I never heard of the rosin, or the capture, or any of these stories that you now are embodying in your question.

Maj. HUMES. You say that Dr. Albert conferred with you with reference to his litigation against John Simon. Was not that litigation because of the differences and the difficulties that arose between Dr. Albert and John Simon in the manipulation of the steamship *Atlantic*?

Mr. UNTERMYER. No; I did not so understand at all. I understood that Simon had gotten away with some of Albert's money, and Albert wanted to get it.

Maj. HUMES. Dr. Albert told you the manner by which he had gotten away with the money, of course?

Mr. UNTERMYER. I do not think so. I do not think there was anything about rosin that I heard of, or about the capture of a ship.

Maj. HUMES. Did not Dr. Albert tell you that the understanding he had with Simon, when he sold the ship to him, was that Simon was not to permit the use of the ship in allied trade; that he was to hold it ready for the use of the German Government immediately at the close of the war, and, in the meantime, he was to use it for shipping to South America and to neutral ports?

Mr. UNTERMYER. No; I never heard anything about that story at all.

Maj. HUMES. I can not quite comprehend how he could present the question of his claim against Simon without outlining something of the facts in connection with the litigation.

Mr. UNTERMYER. Well, I did not go into the facts in connection with the litigation. All I said was that I would write Simon a letter, and he thought that he and Simon could get together and settle it.

Maj. HUMES. I see. Did you ever have a talk with Count von Bernstorff about this steamship *Atlantic*?

Mr. UNTERMYER. No.

Maj. HUMES. What, if any, part did you have in the effort to get Count von Bernstorff to act as an arbitrator to settle the differences between Albert and Simon?

Mr. UNTERMYER. All I heard was that Simon, as I remember it, was trying to get Count von Bernstorff to act as an arbitrator. Somebody was. I don't remember who it was.

Senator KING. All these transactions to which you refer, of course, preceded our entry into the war, Major?

Maj. HUMES. Yes, sir. This was in the fall of 1916.

Mr. UNTERMYER. Senator, as I stated in my statement, I agreed to write this letter for Dr. Albert and for his counsel, upon a personal controversy that he and Simon were having, without caring anything about the controversy itself.

Senator KING. The point, to my mind, was the materiality of this, or its relevancy.

Mr. UNTERMYER. I do not see it.

Senator KING. I do not quite see how Mr. Untermeyer or anybody else, for that matter, is to be condemned because they were friendly with Germans prior to our entering the war.

Maj. HUMES. Through the public prints, Senator, Mr. Untermeyer has assumed that unreliable testimony and untrue testimony has perhaps been presented to this committee, and I felt the committee was anxious to know whether or not the testimony presented was warranted by the facts, or whether a great wrong and error had been committed against Mr. Untermeyer when Mr. Bielaski presented this matter.

Mr. UNTERMYER. Through the public prints, if I may say, you have had go out the implication that I have been concerned in some sort of improper propaganda. You have had it go out that I had loaned

a friend money for the Warheit for propaganda which was grossly false. You have had it go out that because my wife contributed something to saving starving babies in Germany, that that was propaganda, and have been answering that.

Maj. HUMES. I do not suppose that you are using the word "you" in a personal sense?

Mr. UNTERMYER. Certainly not, Major. I mean that the statement has gone out and it has been very much misrepresented.

Senator KING. I want to say that so far as I was concerned I believed we ought to have gone into the war when Belgium was invaded. That was my personal view, and I was proally and did not sympathize at all with Germany; felt that she was in the wrong; felt that her course for years had been for the purpose of preparing to engage in a world-wide war of domination. While entertaining those views I could not quite comprehend the psychology of a man who could look complacently upon Germany and her course; yet I can realize that it was entirely proper and consistent with a man's devotion to his own country, and with the highest patriotism for a man to be friendly with Germans here, and I can understand how a man could be pro-German rather than proally, although personally I took an entirely different view. But when our country entered the war, then, of course, no American could be pro-German. If he were pro-German he was anti-American.

Mr. UNTERMYER. I took the same point of view before the war that you did, Senator. I was not pro-German before the war at any time, for the reasons I have stated; but I thought it was the part of good and decent citizenship, when these men were here, that we should be friendly with them if we had been friends before. They were not in war with us. We were neutral, or supposed and expected to be. I did not intend to cut off my friendship with these men, to start with; and in the next place, I thought it was a good thing that they should have people here who were friendly with them, even though they did not agree with them; and whenever I got an opportunity, and thought it was consistent and proper and decent, and they wanted to know anything, I would be glad to tell them; but I would not take their money, and I would not take their retainers, and I would not act for them, because I did not want to get into the position of being custodian of their secrets under some professional obligation to them if we were ever to get into war. You see, Major, you have selected just two or three isolated transactions over a period of two or three years—a long time—and they amount to very little when you take into consideration the length of time over which they stretch. From the time of the blowing up of our manufactories and of the vile propaganda that was exposed, you will find that I had nothing to do with them at all.

Maj. HUMES. Did this not all occur after the sinking of the *Lusitania*?

Mr. UNTERMYER. After the sinking of the *Lusitania*; yes.

Maj. HUMES. It occurred after that?

Mr. UNTERMYER. Yes; it did; but we all believed for a while—I think all of us believed that the diplomatic negotiations under way would smooth out that difficulty. For six or nine months, you know, they did stop sinking ships without warning; but as soon as it became apparent that they were going to resume, then——

Maj. HUMES (interposing). Practically all of the blowing up of ships occurred prior to October, 1916, when for Dr. Albert you wrote the letter to Simon?

Mr. UNTERMYER. No; I do not think so.

Maj. HUMES. That was within three or four months of the severance of diplomatic relations?

Mr. UNTERMYER. Yes; but I suppose you know that between October, 1916, and February, 1917, a great many ships were blown up, and that after we severed diplomatic relations some people still thought that we were not going to war, but they kept on blowing up ships. I thought we were going to have war immediately.

Maj. HUMES. Now, to resume this matter, I want to call your attention to a letter from Dr. Albert to John Simon, dated December 8, 1916. Among other things, he says:

The invitation to make such adjustment or to discuss the merits of these claims was presented by me through my counsel, Mr. Untermeyer, in response to which he received a very curt and peremptory reply from your counsel, to the effect that there was no room for discussion.

And further:

Referring to your observations concerning Mr. Untermeyer, I have nothing to do with your difference with that gentleman, and do not recognize your right to dictate to me who I shall employ as counsel to represent me.

Does that refresh your recollection as to whether or not you were simply acting as a friend of Lindheim, or whether you were actually counsel in the case?

Mr. UNTERMYER. No; I was not counsel in the case.

Maj. HUMES. Then Dr. Albert was in error when he wrote that letter to Mr. Simon?

Mr. UNTERMYER. Not only that, but what I did was to ring up; I rang up Simon's counsel and told him I thought he ought to take this thing up with Lindheim, and he said there was nothing to take up, and that was on that account; but I never acted as his counsel, and he knows I never did.

Maj. HUMES. Is it not a fact that Lindheim did not get into that case until after the differences between you and John Simon, or the feeling upon the part of John Simon, at least, resulted in a refusal on his part to confer or negotiate with you regarding the transaction?

Mr. UNTERMYER. No.

Maj. HUMES. And then Mr. Lindheim came into the case?

Mr. UNTERMYER. No. My recollection is quite to the contrary. My recollection is that it was his case, as all those cases were. Lindheim has been in my office; had been a clerk; he had gotten his legal education in my office. I think he had been out of it 10 or 15 years, and by marriage, in some way, was distantly related to me, and he would often talk over his troubles with me.

Maj. HUMES. Had Kaufman ever been in your office?

Mr. UNTERMYER. No; I did not know Kaufman; never had met Kaufman until within the past six months; never had seen him.

Maj. HUMES. Had Mr. Hayes ever been connected with your office as a clerk or student, or in any capacity?

Mr. UNTERMYER. No; the only one I knew was Lindheim.

Maj. HUMES. In your statements you say that you have no real acquaintance with Viereck, except because of his poetical inclination?

Mr. UNTERMYER. I did not quite say that. I said I knew him; originally met him, I think, in connection with the American Poetry Society. Oh, I had known Viereck for many years.

Maj. HUMES. Did you have any conference with Mr. Viereck in the winter of 1914-15 with reference to German propaganda or German activities of any kind or German organizations?

Mr. UNTERMYER. No.

Maj. HUMES. Did he ever discuss with you the matter of writing articles for any of the papers at that time?

Mr. UNTERMYER. I know he has asked me a number of times to write articles for papers with which he has been associated, and I have consistently refused.

Maj. HUMES. Did you ever have any communication with William Bayard Hale on that subject?

Mr. UNTERMYER. No. I saw that in your record. I do not recollect ever having met Mr. Hale. I saw that reference there in the testimony.

Maj. HUMES. Mr. Viereck states in this letter, which is already in the record: "I had a long talk with Samuel Untermyer, who is strongly on our side, and will write an article in support of our contention for the New York Times."

Mr. UNTERMYER. What contention is that?

Maj. HUMES. I am not sure, except as he says that certain information is necessary, for which he has asked Dr. Hale, and the communication which he sent to Dr. Hale reads as follows.

Mr. UNTERMYER. Is it fair to put in all this stuff that these people wrote?

Maj. HUMES. This is in writing.

Mr. UNTERMYER. I know, but it has not the slightest reference to me, because I do not know anything about it.

Maj. HUMES. Well, if it is a wrong imputation, you certainly should have an opportunity to explain it.

Mr. UNTERMYER. Well, it is. He talks about my writing an article. Did I ever write an article?

Maj. HUMES. I do not know. That is what I am asking you for.

Mr. UNTERMYER. Well, I never did write any articles for anybody. The only articles I wrote were on the other side, during that time, and the public prints are full of them. He may have been trying to show how smart he was, and what he could do.

Senator WOLCOTT. If by his statement he meant to imply that you were on the German side——

Mr. UNTERMYER. I do not believe he meant to imply anything of the kind, but if he did it was not true.

Senator STERLING. You knew his publication very well, did you not—The Fatherland?

Mr. UNTERMYER. No. I had seen it perhaps two or three times.

Senator STERLING. You knew it well enough to know that it was strongly pro-German, did you not?

Mr. UNTERMYER. Yes; I knew it was strongly pro-German until we got into the war, and then I think it disappeared, if I am not mistaken, and was substituted by Viereck's Weekly, was it not?

Maj. HUMES. They just changed its name.

Mr. UNTERMYER. No; but a different looking paper.

Maj. HUMES. No; there was not much change in the looks; they just changed the name.

Senator NELSON. Here is the substitute for The Fatherland [exhibiting paper].

Mr. UNTERMYER. Have you The Fatherland, too?

Senator NELSON. No.

Maj. HUMES. May this letter not have been written in connection with the matter you referred to this morning, where the New York Times sought to have you write the German side of the question, with Mr. Beck writing the English side of the question—a review of the various white books, etc.?

Mr. UNTERMYER. What is the date of that letter?

Maj. HUMES. January 5, 1915.

Mr. UNTERMYER. My refusal to Mr. Ochs was in September, 1914.

Maj. HUMES. September, 1914?

Mr. UNTERMYER. Yes; and that would have been rather too late. Now, when that thing came out in the newspapers——

Senator STERLING. To what thing do you refer?

Mr. UNTERMYER. That letter.

Senator KING. The letter in the record here?

Mr. UNTERMYER. What's his name, Viereck, whom I had not seen for many months, and had no communication with, wrote me a letter on the subject, which I brought with me, if you would like to see it.

Maj. HUMES. I would be very glad to have it.

Mr. UNTERMYER. I do not know whether this is true or not, but this is what he says in a letter to me, under date of December 9, 1918 [reading]:

DEAR MR. UNTERMYER: May I not take the liberty to state that you have never in my presence expressed a pro-German sentiment? You were one of the few Americans who lived up to the President's injunction. You made it very clear to me that you were neutral, not pro-German, and you made your attitude equally clear to Dr. Albert in my presence.

I do not remember the letter to which Mr. Bielaski refers. At any rate, it seems to me that he has misinterpreted its meaning. No doubt the conversation mentioned in my letter referred to some issue pending between the United States and Great Britain. You naturally took the American point of view. Too many of our fellow citizens were taking the point of view of Great Britain.

If I said you were on our side, I presumably meant that you supported the attitude of the United States on the Freedom of the Seas. This is a subject on which the German Government found itself in total agreement with the Government of the United States. You were at all times ready to champion the Freedom of the Seas, irrespective of the consequences to either Germany or Great Britain, your motto being, "America first and America only."

I am making this statement without suggestion from you or anyone else. I shall be glad, if necessary, to repeat it before the Senate committee.

Sincerely, yours,

GEORGE SYLVESTER VIERECK.

Senator NELSON. What is the date of that letter?

Mr. UNTERMYER. That is dated the 9th of December, 1918. That is when this thing came out in the newspapers. I do not know whether that is true or untrue, or right or wrong, or anything about it.

Maj. HUMES. I call your attention to Mr. Viereck's letter of January 12, to Dr. Hale, asking that certain material be furnished to you in order that it might be available for the purposes of an article, and

ask you if you ever received that material from Dr. Hale [turning paper to witness]?

Mr. UNTERMYER. This is signed by Viereck.

Maj. HUMES. Yes; it is his letter to Hale.

Mr. UNTERMYER. I do not remember whether I ever received it or not, but if I did, I did not pay an attention to it, because I never wrote any article.

Maj. HUMES. When was the conference that you had with Dr. Albert and George Viereck? When was that conference?

Mr. UNTERMYER. With whom?

Maj. HUMES. With Viereck and Albert?

Mr. UNTERMYER. Which conference do you mean?

Maj. HUMES. The conference that Viereck said occurred between you, and Albert, and himself.

Mr. UNTERMYER. You mean my having said in his presence——

Maj. HUMES (interposing). Yes; and in the presence of Dr. Albert.

Mr. UNTERMYER. I do not recall it.

Maj. HUMES. Did you have more than one conference? Was it a frequent matter?

Mr. UNTERMYER. No; it was not. I do not remember, in fact, having had any conference with Viereck and Dr. Albert. It may have been some meeting up at Greystone, when I saw them.

Maj. HUMES. Do you remember Viereck ever having come up to Greystone with Albert?

Mr. UNTERMYER. I do not remember his coming there with Albert: but Viereck has been at Greystone 10 or 15 or 20 years ago, probably, for the first time. I have known him for a great many years. But I want to make that perfectly plain, Major, so you will understand it. This was a time when the freedom of the seas was a question in controversy; when the United States was having its controversies with Great Britain, and I felt this was a "paper" blockade, just as our State Department felt. I was in entire accord with our Government on that subject; but when it came to writing any letters or writing any articles or assailing the attitude of Great Britain, even with our country, when we were neutral, I would not do anything of the kind. I stuck to my determination that I would do nothing of the sort.

Senator KING. But as an academic question, or a question based on international law, you felt that England's blockade was a "paper" blockade, and, therefore, her seizing of American vessels, particularly those which carried goods not contraband, was illegal and in violation of international law?

Mr. UNTERMYER. Yes; I took that view after a very careful study of the subject, and I was entirely in accord with our State Department on that subject; and I also drew a very great distinction between the seizing of ships and contraband, and the murdering of our citizens on the high seas. I felt that the one might be the subject of discussion and friendly difference, but the other was a very different matter.

Senator NELSON. Did not the Germans mean by the "freedom of the seas" freedom for the operations of their submarines?

Mr. UNTERMYER. Yes.

Senator NELSON. Was that not their conception of the "freedom of the seas"?

Mr. UNTERMYER. But this was a question between the United States and Great Britain as to the freedom of the seas, as to whether that entitled them to declare a blockade, when certain neutrals could trade with belligerents; and I understood a "blockade" to mean a blockade against all neutrals. If it were not effective against all neutrals, it was not a blockade.

Now, I do not think that Germany's idea of the freedom of the seas meant that they had a right to murder our people with submarines. What they claimed was that because of Great Britain's blockade, they, too, had the right to resort to illegal practices by way of reprisal for Great Britain's illegal practices. That was their defense. It was, in my opinion, no defense.

Senator NELSON. You know how they construed it in the case of Capt. Fryatt?

Mr. UNTERMYER. With whom?

Senator NELSON. Capt. Fryatt.

Mr. UNTERMYER. Fry?

Senator NELSON. Fryatt.

Mr. UNTERMYER. I do not remember that.

Senator NELSON. They held he was in command of an armed merchantman. Under the old law of the sea, as it prevailed in olden times, a merchantman had a right to arm and defend itself. And because he was in command of such a merchantman they took him and held him to be a pirate, and executed him.

Senator KING. That was Capt. Fryatt?

Senator NELSON. Yes.

Mr. UNTERMYER. I do not remember that case, but we had a case as to arming for offense and for defense.

Senator NELSON. I mean the case of Capt. Fryatt who was executed by the Germans as a pirate.

Mr. UNTERMYER. Of course, that was murder, pure and simple.

Senator KING. The question I referred to was whether or not England's blockade was recognized under the existing principles of international law, or whether it was a "paper" blockade.

Mr. UNTERMYER. It was contrary to international law, and I think England quite agrees to-day that it was.

Senator KING. Our Government took the view that it was not supported by international law?

Mr. UNTERMYER. Yes; England went on the theory that the end justified the means; but it did not involve the loss of any human life, and it was one of those things that could be adjusted by money damages in the end.

Senator KING. And England recognized that some of her seizures had been illegal, and she has paid for cargoes which were taken by her vessels?

Mr. UNTERMYER. Yes; she was fooled into paying for some that ought not to have been paid for.

Maj. HUMES. I call your attention, to refresh your recollection, to a letter written by George Sylvester Vierick to Dr. Albert, dated April 1, 1915. [Reading:]

MY DEAR DR. ALBERT: I have arranged with Mrs. Untermeyer that her automobile will call at your house Sunday at half past 5. It takes but one hour to get to Greystone. Dr. Hale will not be with us, which is perhaps better.

I think Untermyer will speak more frankly in our presence. It moreover gives us an opportunity to talk things over a bit. I do not like the way things have been going of late.

Now, will you state whether or not Mr. Viereck and Dr. Albert came to your house on the Sunday following that?

Mr. UNTERMYER. What is the date of the letter you have just read?

Maj. HUMES. The other letter is January 12, and this is April 1.

Senator WOLCOTT. What year?

Maj. HUMES. 1915.

Mr. UNTERMYER. I can not say that I remember whether they did or not.

Maj. HUMES. Do you ever remember their both being at your house on the same day, at the same time?

Mr. UNTERMYER. I have no doubt that they have been at my house the same day. I don't remember the occasion, but I have no doubt of the fact. I do not see what its significance is—what it has to do with anything.

Maj. HUMES. There was something said about articles which you have written, Mr. Untermyer. I had a memorandum of three articles—interviews—and I assume as a busy man you are more likely to get into the papers in an interview than a prepared article?

Mr. UNTERMYER. I am more likely to be misrepresented in an interview than in a prepared article.

Maj. HUMES. In the New York Times of April 29—

Mr. UNTERMYER. What year?

Maj. HUMES. 1915—there is an article opposing preparedness.

Mr. UNTERMYER. Yes; I was opposed to preparedness at that time.

Maj. HUMES. In the fall of 1915?

Mr. UNTERMYER. Yes; I was. I was opposed to preparedness at that time, on the ground that I thought the belligerent nations would be prostrate after the war, and I was probably mistaken. I am a pretty good preparedness man to-day, and when the *Lusitania* was sunk I regretted that we were not prepared.

Maj. HUMES. During the same period of time is it not a fact that you were in favor of an embargo on munitions?

Mr. UNTERMYER. No; I will tell you what I was in favor of. I was not in favor of an embargo on munitions. If you read that article that you have before you, you will understand my position. I remember it very well. Our State Department was having a controversy with Great Britain over this blockade, and I said in that article, in substance, "There is an easy way of determining whether we are right or wrong. We claim there is no blockade. Now, then, if they should insist against our contention upon a blockade we can very easily carry our point of view by an embargo on arms, and then Great Britain will come to the American point of view." Is that what the article is?

Maj. HUMES. I have got to find it.

Mr. UNTERMYER. I think I have a copy of it here.

Maj. HUMES (reading):

I wish we could have an embargo on munitions as a sort of reprisal against the sort of treatment we have been getting. But as that is not likely to happen let us get what we can another way. Under our Constitution we can not impose an export tax, but there is no prohibition against taxing war material at the works for whatever purpose intended, in the nature of an excise tax, excluding, of course, the United States.

Mr. UNTERMYER. I think it was shortly before the resumption of submarine warfare, and it was in support of that policy that I went out and traveled the country in support of all his war policies.

Maj. HUMES. Mr. Untermyer, at that time was not Germany seeking to prevent further exportations of munitions and war materials—foodstuffs—to Europe, and was not this article advocating the very thing that Germany was seeking to accomplish?

Mr. UNTERMYER. No; this article was apropos of the peace negotiations that the President had inaugurated. That is my recollection of it.

Germany had been representing and protesting to this country against these different violations that they called of international law for a long while, but I think they had about stopped. Finally Germany, on January 31, 1917, as I remember it, announced that inasmuch as the United States had been unable in its negotiations to secure the withdrawal of what it regarded as this illegal blockade, and the seizure of goods, and all that sort of things, that it would resume the submarine warfare. It was on the 31st of January, 1917, that Germany announced that it had conditionally abandoned or suspended submarine warfare in order to give an opportunity to bring Great Britain within the rules of international law, of ordinary warfare, and as that seemed impossible they would resume their warfare.

Maj. HUMES. Mr. Untermyer, the President in none of his addresses and none of his interviews ever advocated the withholding or refusal of the shipment of any of the means of war to any country; anything that they could secure that might make possible the continuance of the war.

Mr. UNTERMYER. Yes; but he made violent protests, you know, to Great Britain against their claims of a blockade and against their calling anything contraband that they chose to call contraband, and against their seizure of our ships, cargoes, and mails, and other acts on their part.

Maj. HUMES. But the question is as to whether this country was going to furnish the means. He never said that the time had come when this country should refuse to furnish the means for carrying on the war in the shape of munitions or foodstuffs, or otherwise, did he?

Mr. UNTERMYER. Yes; I certainly think he did say that we were entitled to take our foodstuffs anywhere to neutral countries; that they were being stopped by the blockade, and that we were entitled to feed the civil population; that war was not intended to strike at the civil population of neutrals or belligerents.

Maj. HUMES. Yes; he said we had the right to ship munitions to any belligerent. You, in this article, are advocating the stoppage of the shipment of the means by which these activities could be continued.

Mr. UNTERMYER. Now, you see, you are making assertions, not asking questions. That is beside the question. That is not a fair construction of my article. What I had in mind was this, that here we were at the brink, and with war staring us in the face because of this threat of Germany to renew submarine warfare. I said, "We want to keep out of this war. Both nations are violating inter-

national law. They are drunk and mad with blood. Let us find some way of stopping them." That is all it means. I guess a great many people felt the same way, no matter how anti-German they were. That did not mean that we were anxious to plunge into the conflict if there was an honorable way out of it.

Now, there are dozens more of my articles and speeches, and hundreds of that kind, and you will not find a pro-German word anywhere in any of them. You will find, on the contrary, that all through the time when we were neutral——

Maj. HUMES (interposing). As I understand it, Mr. Untermeyer, at this time—on the 12th of January, 1917—you were out of sympathy with the German cause?

Mr. UNTERMYER. I was out of sympathy with the German cause. That is quite true at all times.

Maj. HUMES. Now, Mr. Untermeyer, is it not a fact——

Mr. UNTERMYER. I was especially out of sympathy with it when I made up my mind that they were going to resume submarine warfare, and openly denounced their action from 1914 until the end.

Maj. HUMES. Is it not a fact that upon this same day that you gave the interview that has just been read, you purchased German Government bonds?

Mr. UNTERMYER. Now, Major, that is hardly fair. How many German Government bonds did you find in my name? I think \$2,000, isn't it? I did not buy them for myself; I did not buy them with my own money. They are in my name. I do not want to state for whom they were bought. I haven't a penny of interest in them. I got Dr. Albert to buy them. I had not a cent of interest in those bonds. What are they—\$2,000?

Maj. HUMES. I do not know what the value is—\$1,900 and some odd dollars.

Senator WOLCOTT. Another very material thing would be whether the Government got the money or whether you took them off the hands of some holder.

Mr. UNTERMYER. You know, there were \$10,000,000 of German bonds sold in this country, and thousands of people have bought these bonds who are as good Americans as you and I, on a business basis, because they thought at the time they were cheap, just as they and others during that time bought French and British bonds—not out of patriotism for France or Great Britain, but because they considered them a good purchase. I did not buy these bonds, and I haven't a dollar of interest in them.

Maj. HUMES. I will show you the correspondence between yourself and Mr. Albert.

Mr. UNTERMYER. I know all about them.

Maj. HUMES. That was on the 12th of January, 1917.

Mr. UNTERMYER. I would like, if you are willing, to tell the chairman confidentially for whom I bought them, if he is willing to accept the confidence.

Maj. HUMES. I have no objection, of course.

Mr. UNTERMYER. I advised against the purchase, too, if you want to know. I thought it was a rotten investment. It is 11,000 marks or \$2,000. I haven't any \$2,000 investments among my investments at all, to start with. He says, "The receipt had to be made out in

your name. I trust this did not cause you any inconvenience." You will observe that he knew I did not make the purchase for myself. One thousand nine hundred and fifty-two dollars and fifty cents, that is the transaction. They are not my bonds, and I have no interest in them. Do you not think that is a rather petty matter to bring up?

Maj. HUMES. It is a question of the facts, Mr. Untermeyer.

Mr. UNTERMYER. If I had made this trifling purchase before we severed diplomatic relations, it would be a little petty to refer to it; but, as it happens, I did not.

Maj. HUMES. The fact remains, however, that through Dr. Albert you bought these bonds for a client or a friend.

Mr. UNTERMYER. No; for a man in Washington.

Senator NELSON. What is the total amount?

Capt. LESTER. \$1,950.

Mr. UNTERMYER. 11,000 marks. Before the war that would have been equal to \$3,000. They were bought for \$1,900. This gentleman thought it was easy money to buy the bonds at about 60 per cent of par.

Senator STERLING. Was the money paid into your hands for the purpose of purchasing these bonds?

Mr. UNTERMYER. Yes; the actual money, and by his check. I am going to tell the chairman after the hearing for whom I bought them if there is no objection, if I may. It was a mere convenience, as he was living in Washington and I was in New York, where it was easy to get the bonds for him.

(The letter above quoted from by Mr. Untermeyer is as follows:)

[Copy.]

NEW YORK CITY, *January 12, 1917.*

MY DEAR MR. UNTERMYER: Enclosed I am sending you the receipt of the Transatlantic Trust Company for the subscription of 11,000 marks Imperial German Government 5% Bonds, 5th War Loan, as well as the bill of the above named company, for \$1,952.50. I further enclose memorandum giving some details with regard to this subscription.

The receipt had to be made out in your name, and I trust that this will not cause you any inconvenience. The deposit certificates which are to be delivered to the subscriber by the Transatlantic Trust Company after notification from Berlin to the effect that the subscriptions have been received, will be made out "To Bearer".

Sincerely yours,

Mr. SAMUEL UNTERMYER,
120 Broadway,
New York City.

[Copy.]

Memorandum

The purchase price of \$177.50 for 1,000 marks includes the payment of interest due April 1, 1917. The next interest payment will be due October 1, 1917.

The subscriber will be informed in due time with regard to the payment of the interest, and he can decide then whether he prefers to have the interest paid in Dollars in the United States, or in Marks in Germany, to whatever bank he may designate.

The receipt given by the Transatlantic Trust Company will be followed by a deposit receipt upon advice by wireless from the Deutsche Bank to the effect that the subscription has been received.

Of course the subscriber has the choice of having the actual bonds delivered to any bank, banker or private individual in Germany, whom he chooses as his trustee.

[Copy.]

(Guggenheimer, Untermeyer & Marshall 120 Broadway, New York Cable Address "M.: pomene" New York)

JANUARY 12, 1917.

Dr. H. F. ALBERT,
45 Broadway, New York City.

MY DEAR DOCTOR ALBERT: I thank you for your prompt attention to that little commission, and am herewith enclosing my check for \$1,952.50 in repayment of the amount disbursed by you.

With kind regards and best wishes, believe me

Sincerely yours,

(Signed) SAML. UNTERMYER

Enclosure: Check \$1,952.50

Maj. HUMES. Are you acquainted with Dr. Dernberg?

Mr. UNTERMYER. Yes; very well; I had a very high regard for his ability. I think he was one of the ablest men who ever came to America.

Maj. HUMES. He was a frequent visitor at your house?

Mr. UNTERMYER. Yes.

Senator WOLCOTT. Just parenthetically, I do not think his wonderful exposé of the great find among the state papers at Brussels manifested very much ability on his part.

Mr. UNTERMYER. Every wise man is occasionally a fool, you know.

Senator WOLCOTT. He was in that instance.

Mr. UNTERMYER. He is very able.

Senator WOLCOTT. Apparently he did not attribute much common sense to the American reading public.

Mr. UNTERMYER. I think he did. He was for many years in this country. He was first a clerk in a banking house and lived here for many years in his early life, and he understood American conditions pretty well. But he left this country in June, 1915, did he not?

Senator NELSON. He was ordered out of the country, was he not?

Mr. UNTERMYER. No; I do not think so; but I think it was hinted to him that he had better get out.

Senator NELSON. He was notified that his presence was not wanted.

Mr. UNTERMYER. It was because of his asinine speech after the *Lusitania*.

Maj. HUMES. He was a guest at your house just before he went abroad?

Mr. UNTERMYER. He was a guest at my house. He had been my friend for years, and I do not go back on my friends.

Maj. HUMES. And he stayed here for some time prior to his departure for Germany?

Mr. UNTERMYER. No; he was a guest there for less than a week. When it was I do not remember.

Senator NELSON. He and Dr. Albert were together, were they not, at your country house at Yonkers, the house that used to be Samuel J. Tilden's, and did they not spend a week there together?

Mr. UNTERMYER. No; Dr. Albert never spent a night in my house. Dr. Dernburg and Mrs. Dernburg were friends of ours.

Senator STERLING. You knew Dr. Dernburg's view in regard to the sinking of the *Lusitania*?

Mr. UNTERMYER. I was wholly opposed to his expressed views. I do not think they were his views. I think they were the views he

was called on to maintain and were, in fact, contrary to his own judgment.

Senator STERLING. He represented to the country that they were his views, did he not?

Mr. UNTERMYER. He certainly made a speech by way of excuse or apology for that horror. I suppose he was bound to present as best he could the argument in favor of his country.

Senator STERLING. That did not cause a breach between you and Dr. Dernburg?

Mr. UNTERMYER. No; I felt very sorry. Some of the dearest friends I have do not agree with me on some of the most important questions. In my own family I have all sorts of disagreements on economic questions. But I may differ from a man and we may yet be the best of friends.

Senator STERLING. The sinking of the *Lusitania* was certainly more than an economic question.

Mr. UNTERMYER. It certainly was, but Dr. Dernburg did not sink the *Lusitania* or approve of it.

Senator STERLING. That is true, but he apologized for it or defended the act.

Mr. UNTERMYER. He made the best lame defense he could after the event like any advocate would; that was his job, I suppose.

Senator KING. He was carrying out the statement of Frederick the Great that the duties of representatives of a government are to lie for it.

Mr. UNTERMYER. No, I don't think that. The duty of the advocate is to state his side of the controversy.

Senator STERLING. Then I suppose we ought to applaud Dr. Dernburg for what he did.

Mr. UNTERMYER. I do not think so. I was very much opposed to it. But I do not think that because of his views, as expressed, that I ought to turn my back on him any more than you did, Senator, or anybody else, on Count von Bernstorff, or any one of these men who for years after the *Lusitania* was sunk were in friendly intercourse with the leading men of this country.

Senator STERLING. We may be differently constituted, but I could not feel friendly toward a man who defended the sinking of the *Lusitania*, however friendly we had been before.

Mr. UNTERMYER. I did not feel cordial toward the man who had done it, but I knew that Dr. Dernburg had not done it, and that the entire policy of submarine warfare was against his advice.

Senator STERLING. One or two old friends of mine defended the sinking of the *Lusitania*, and it pretty nearly caused a breach between us.

Mr. UNTERMYER. You say "pretty nearly." Evidently it did not, and it ought not to have. Dr. Dernburg was opposed to the whole submarine warfare. If you have read his recent speeches on the other side, as they have been reported over here during this war, you will find that no man has been more broad and liberal in his point of view or has done more for democracy. He is a member of the Socialist cabinet now, the cabinet that is intending to secure democracy for Germany. He lived in this country too long to have those views. He knew this country.

Senator STERLING. Well, the members of the socialist cabinet were indorsing what was being done in the way of submarine warfare for the most part?

Mr. UNTERMYER. No; some of them were, and some of them were not.

Maj. HUMES. The ones that were not in jail, were they not?

Mr. UNTERMYER. I do not know about the jail situation in Germany.

Maj. HUMES. Mr. Untermyer, this morning you told of your acquaintance with Capt. Boy-Ed.

Mr. UNTERMYER. I said I had met him. I had met all the embassy members, as I knew members of other embassies.

Maj. HUMES. And you said you had some familiarity with the Hamburg-American Line case. Was that the case in which the officials of the company were indicted for making false manifests? Was not that the nature of the charge?

Mr. UNTERMYER. I thought it was for violating our neutrality in was for coaling some ships outside the harbor.

Maj. HUMES. Was not the technical charge the making of false manifests in the shipment of coal?

Mr. UNTERMYER. I do not know, Major. I never saw the papers, never saw the indictment, never heard of it, and all I knew was, it was for coaling some ships outside the harbor.

Maj. HUMES. Do you remember the fact, in the trial of that case, of the United States attorney making a criticism of Capt. Boy-Ed and commenting on the fact that they were unable to prosecute him because of his diplomatic status?

Mr. UNTERMYER. No; I did not pay any attention to the case. I was disgusted when they went to trial.

Maj. HUMES. Do you remember conferring with Capt. Boy-Ed about that trial?

Mr. UNTERMYER. No.

Maj. HUMES. And about this charge against him?

Mr. UNTERMYER. I never did.

Maj. HUMES. Did you ever talk to him over the telephone?

Mr. UNTERMYER. I do not know; I may have talked to him over the telephone, but I never conferred with him about the evidence in that case, or anything about it, so far as I know. I never had anything to do with that thing, except on that one night at my house, when I told this man Buenz that he ought to accept the offer to plead guilty and get off with a fine; but their lawyers turned that down.

Maj. HUMES. Mr. Untermyer, did you not, in a conversation with Capt. Boy-Ed, say to him, "I think some representation should be made at Washington against the language used by the United States District Attorney in his opening speech before the jury in the Hamburg-American case yesterday. The State Department should be called upon to ask the Department of Justice to have something read into the record showing that you were guiltless in the matter. A statement that you were guilty of an infraction of our laws has gone all over the country." Did you not state that over the telephone?

Mr. UNTERMYER. I do not think so. I do not recall anything of the kind or of ever having talked with him at all about it.

Maj. HUMES. Did he not make the statement that he would telegraph to the German ambassador at Washington about it?

Mr. UNTERMYER. Never anything of the kind. If you have any proof on that subject, do you not think you ought to trot it out?

Maj. HUMES. When you suggested to——

Mr. UNTERMYER. Do you not think you ought to, Major?

Maj. HUMES. That is a matter of judgment.

Mr. UNTERMYER. I think it is a matter of fairness.

Maj. HUMES. The committee will undoubtedly have all the facts.

Mr. UNTERMYER. If you have any such fact—it is not a matter of much importance, but what I want to get at is, if you have any document or letter or anything of that kind, let me see it.

Maj. HUMES. I stated that there was no document, or evidence, but a telephone conversation.

Mr. UNTERMYER. Of course, if some one was tapping my wires, I did not know it, but I do not believe, and my recollection is, that there never was any such discussion, and that the one occasion at my house was the only occasion that I had ever had any talk with anyone about the case.

Maj. HUMES. You can rest assured that your wire was not tapped.

Mr. UNTERMYER. I do not care whether it was or not. They can keep tapping it all day, if they want to.

Maj. HUMES. Was it not a fact that when Capt. Boy-Ed suggested wiring the ambassador, you suggested he not wire at once to the ambassador, but wait until you had gotten your bearings first?

Mr. UNTERMYER. No, Maj. Humes, I had nothing to do with that case except as I have stated, at my house that night when I advised them to plead guilty.

Maj. HUMES. In the same conversation did you not discuss the question as to whether or not the case was progressing satisfactorily, and did not you and Capt. Boy-Ed agree that it was not progressing as satisfactorily as you had hoped?

Senator KING. That question is not fair because, whichever way he answers it, unless he explains it, he would have to admit the conversation.

Maj. HUMES. I did not mean to have him take it that way.

Mr. UNTERMYER. With all due respect to Maj. Humes, for whom I have great regard, all these questions are most unfair. I have told him that I predicted that these men would be convicted. I have also said that I did not have any talk with Boy-Ed. He has an idea that by getting the question into the record, he can create an atmosphere, no matter how it is answered. The question is what these newspaper men here are hanging onto, and the witness is prejudiced by the questions, no matter how baseless they are or how he answers them.

Maj. HUMES. You have stated that you have many transactions that you can not remember, and that is the only purpose, that is the common procedure, and the only way that an inquiry of this kind can be made.

Mr. UNTERMYER. That is not the usual procedure; it is an unfair procedure that would not be tolerated in a court of justice. I have told you that I did not have any talk about the Buenz case except that night at my home.

Maj. HUMES. Is it not a fact that at about the time of the Hamburg-American case, the first one to come to trial, Capt. Boy-Ed called at your office and arranged or left word for you to call him as soon as you came in.

Mr. UNTERMYER. Was there more than one Hamburg-American case? I do not know of any. Just think of what you are asking. How was I to know whether he called at my office and asked somebody in my office to let me know?

Maj. HUMES. On one occasion did you not find that word had been left there to call Capt. Boy-Ed?

Mr. UNTERMYER. I knew very little about Boy-Ed. I do not think I have seen him over twice in my life, and I had no relations with him.

Maj. HUMES. Was he at your office?

Mr. UNTERMYER. I do not think he was ever at my office once. I do not recall his ever being there. He was up on that occasion with Dr. Buenz at my house.

Maj. HUMES. Was he not at your office on the 26th of November, 1915?

Mr. UNTERMYER. I do not recall his ever having been at my office. You must not take all these fairy tales of detectives as gospel, you know.

Maj. HUMES. I am trying to verify some of them.

Mr. UNTERMYER. But where they remain unverified, do you not believe them? Take my advice, based on 40 years of experience. They want to make a good showing.

Maj. HUMES. Now, Mr. Untermyer, do you remember the fact that after the Hamburg-American case was tried certain gentlemen representing the defendant in that case came to Washington to see Secretary Lansing.

Mr. UNTERMYER. No; I never heard of that.

Maj. HUMES. Do you remember Capt. Boy-Ed calling the matter to your attention and your expressing your regret? Do you remember such an occurrence?

Mr. UNTERMYER. No; I do not recall anything of the kind.

Maj. HUMES. Is it not a fact that on December 2——

Mr. UNTERMYER. Maj. Humes, do you think that by asking these questions you can create an atmosphere, even though I do not know anything about it? Do you think you are doing the fair thing?

Maj. HUMES. I am not expecting to get any atmosphere——

Mr. UNTERMYER. I know you are not intending to.

Maj. HUMES. An atmosphere which is unwarranted.

Mr. UNTERMYER. It is unreliable.

Maj. HUMES. It would be satisfactory to me to find that it was unreliable. I do not want to submit to the committee any unreliable information.

Mr. UNTERMYER. Proceed with your question. You were speaking about the State Department.

Maj. HUMES. This conversation that occurred between you and Capt. Boy-Ed——

Mr. UNTERMYER. As far as I recall, there was no conversation, and I did not know they were going to the State Department. I did not know they were going to the State Department and did not know what they were going there for. This man had been convicted, as I understood it. I got through with that thing when I gave my judgment to those lawyers and they did not follow it.

Maj. HUMES. Is it not a fact that Jerome or others who represented that case came to Washington to confer with Mr. Lansing? Do you not know that that is a fact?

Mr. UNTERMYER. No; I do not. William Travers Jerome, and Rand, and Gans were in that case, were they not?

Maj. HUMES. And is it not a fact that after your conversation about that trip to Washington you made an appointment with Capt. Boy-Ed by which he was to meet you at your hotel at 6 o'clock?

Senator KING. Do you not assume in that question that there was a conversation?

Maj. HUMES. It is all a question. He can answer yes or no, Senator.

Mr. UNTERMYER. But when I tell you there was no such transaction, why do you persist in asking whether this did not happen or whether that did not happen?

Maj. HUMES. I was trying to refresh your recollection with further transactions occurring at the same time.

Mr. UNTERMYER. You can not refresh my recollection about things that were not true and that never happened, so far as I am concerned. I never heard about this Washington visit or that there was such a visit until you implied it just now by your question, and I do not yet know it except as you state it. Now, I do not recall—and I tell it to you again—ever having talked about this Buenz case after that one occasion in my house. That is all I remember about that case. It was not a thing that concerned me. I had known old Dr. Buenz—I think he had been in this country for 25 years. He was a very fine old fellow. He had done what he had done in coaling ships outside of the harbor because, as I understand it, he had been advised by lawyers that under our laws and under international law they had the right to coal the ships. He was wrongly advised. That is all there was of it.

Maj. HUMES. And you have no recollection, then, of the trip that Capt. Boy-Ed had made to Washington at that time and his coming to see you immediately on his return?

Mr. UNTERMYER. I do not know whether he made a trip to Washington or anything about it.

Maj. HUMES. Did you remember the fact that Levy & Stanchfield were retained?

Mr. UNTERMYER. Stanchfield & Levy.

Maj. HUMES. Stanchfield & Levy, in the Paul Koenig case? Do you remember that as a fact?

Mr. UNTERMYER. No; I do not. I remember this, that when the embassy people urged me to take some of these cases I said I would not take them, that I suggested that Stanchfield was a good man, and that Stanchfield took those cases. He had a right to take them as a prosecuting lawyer, as I might have done had I so chosen, and without criticism. And I think I spoke to him about it and asked him if he would care to take them.

Maj. HUMES. In that connection did you not take the matter up with Levy & Stanchfield with a view to getting them to think what you said was or what might be considered a reasonable fee in that case?

Mr. UNTERMYER. No; only in this way: When they said, "Who shall we get?" I said, "Well, Stanchfield is a good man." I remember that. They said, "He will charge us such a terrible lot of money." I said, "No; he will not." I said, "He will charge you reasonably, and you can rest assured of that." And I think I did tell John (that is Stanchfield's christian name) that he should not charge them too much money, or something of that kind.

Maj. HUMES. Did you not arrange an agreement with them on a fee of \$5,000 in that Koenig case?

Mr. UNTERMYER. I do not know whether I did or not. All I know is that I had nothing to do with the money.

Maj. HUMES. I call your attention to an excerpt from Dr. Albert's report to the ambassador——

Mr. UNTERMYER. All I knew was that I would not take the case. He is a friend of mine, John Stanchfield, and I would have liked to see him get some money if he could.

Maj. HUMES. I call your attention to the following excerpt:

As a special favor, the relatively light charge of \$5,000, made by the Stanchfield & Levy firm, which is an unusually low rate for the retainer, is due to the mediation of Mr. Samuel Untermyer.

Mr. UNTERMYER. I guess that is right.

Maj. HUMES. Then, you were assisting them in securing adequate and reasonable legal status?

Mr. UNTERMYER. Oh, no; I was assisting John Stanchfield in getting a fee.

Maj. HUMES. I call your attention to an alleged conversation between yourself and Dr. Albert on December 23, 1915.

Mr. UNTERMYER. On December 23, 1915? What is this, an alleged telephone conversation?

Maj. HUMES. A telephone conversation.

Mr. UNTERMYER. Will you not just let me see it? I will tell you whether it is true. [After examination of paper handed to him by Maj. Humes.] I do not recall any such conversation.

Maj. HUMES. Gentlemen, under the circumstances I do not know how there can be a record of this. If the committee wants to see this inquiry, it has been offered——

Mr. UNTERMYER. I do not think you should be reading in a lot of stuff that you say you have over a telephone.

Senator KING. Does the witness say that no such thing occurred?

Mr. UNTERMYER. No; I do not say anything of the kind.

Senator NELSON. He does not deny it.

Maj. HUMES. Do I understand you to say that you do not remember it, or that no such conversation ever occurred?

Mr. UNTERMYER. What I say is that I do not recall that conversation and do not think that conversation took place. It may be that some part of it took place and that some did not; but I do not recall any of it.

The way to prove a thing of that kind is to prove it by legal proof. The idea of reading in a lot of stuff that people hear over the telephone! Anybody might say it. It is not of any consequence that I can see.

It was pretty good advice, was it not, Major?

Senator STERLING. Cautious advice?

Maj. HUMES. I think from the standpoint of the German Government that advice was very good.

Mr. UNTERMYER. From any standpoint, not to have anything to do with it.

Senator OVERMAN. Do I understand that you had no such conversation?

Mr. UNTERMYER. I do not recall any such conversation.

Senator STERLING. Do you say positively that you had no such conversation?

Mr. UNTERMYER. I am quite sure as to part of it that I did not. I could not have. At any rate, they have read in a whole lot of stuff here that never took place with me. Just think what that would mean, Senator, if you could do that sort of thing to people. Anybody could impersonate anybody else.

Senator STERLING. Well, I have in mind the case of an ordinary law suit, where a man might be asked as to whether or not he did not have a telephone conversation—such and such a conversation—at a particular time with somebody else, and if he did not remember the conversation then the attorney would have the right to ask him about the particulars of the conversation for the purpose of refreshing his recollection, and that, I thought, the counsel was doing.

Mr. UNTERMYER. Now, Senator Sterling, my understanding of the rule of law would be this, that if the person said that he recalled no such conversation, then the examiner would have to put a witness on the stand and he would have to be a man who knew the voices of these people and could identify them. In other words, the law surrounds a man with some protection against that sort of thing.

Senator STERLING. No; in a case where he simply can not recall the conversation, I understand that his recollection may be refreshed by directing attention to it.

Senator WOLCOTT. Here is the law——

Senator KING. In this case it has been read, so that his recollection is not refreshed.

Senator WOLCOTT. The law is that when a witness is asked whether on a certain occasion a certain conversation did not take place grounds for contradiction must be laid, the time when the conversation was held, who was present, and the place.

Mr. UNTERMYER. Yes.

Senator WOLCOTT. So that the witness's attention can be directed specifically to that particular conversation.

If he says that it did not take place or that he has no recollection, then the contradicting witness may be brought on the stand.

But I think this is true—and I do not mean to cast any reflection on Maj. Humes when I say it—that good professional ethics demands of the examining attorney that before he puts the question whether or not a conversation took place he should have present a witness, to bring him on the stand to contradict the denial or the claim that there was no recollection.

Yet I think that these questions are perfectly proper if we had some witness to come along subsequently and say that such a conversation did take place——

Mr. UNTERMYER. Somebody who knew——

Senator WOLCOTT. I do not know what is coming after this.

Mr. UNTERMYER. Somebody who knew the men's voices and could recognize them and swear to it. I have conducted a good many investigations, and when I have conducted a congressional investigation I have always, if I had a letter to put in evidence, let the person know in advance, and have had him present so that when that went in he could immediately follow and deny or explain it if he pleased; and every time any evidence has been presented I have made up a synopsis of it a few days before, and the other side have known that it was going to be presented. That is the way the Money Trust investigation was conducted. That is the way Gov. Hughes conducted the insurance investigation, in which I was very much concerned. We used to give out a memorandum of points and topics on which questions were to be put, send it to the person concerned, and have him come to be examined so that he would be prepared.

Senator KING. I think, if you will pardon me, Mr. Untermyer, that with reference to the matter just exhibited to you, the part which you say may have occurred, that part of the conversation would be admissible. The part which you say never occurred I do not think ought to go into the record.

Mr. UNTERMYER. But, Senator King, I do not recall any of it as having occurred—not a particle of it.

Senator OVERMAN. Do you say that you do not recall it, or that you deny it?

Mr. UNTERMYER. Part of it might have occurred. The other part of it was impossible. I have no memory as to the other part either, but I know it was impossible; just as if somebody asked you if you had done a certain thing to a man, and you would say, "That is impossible." You know you have not done it.

Is there anything else, Major?

Maj. HUMES. I have tried to make this examination along the lines of the well-established rules of evidence, and I do not think I have asked any improper questions.

The information which I am using is furnished to me as reliable, authentic information, and I had no reason to assume that this information would be denied when I secured it. If it is denied, certainly, without my laying grounds for contradiction, it is a futile undertaking to make inquiry as to the truth or falsity of the information which has come to me as authentic.

Mr. UNTERMYER. But you see, Major, this is a peculiar kind of information. This is information said to have been taken over a telephone. There have been more miscarriages of justice on this telephone business than any way I know of. It is information that you probably got from somebody—I don't know, but from some detective or secret agent or somebody who has been tapping telephones—and he comes and gives you this and calls it a result. He probably has never heard me. He does not know who has been talking. He probably does not know either party. He might just as readily as not get up a game—and some of these gentlemen are not above it—between two people on a telephone and hear it.

Our courts have been full of it and so full of it that we exact the most rigorous proof, if anybody wants to base anything on a telephone. It is not a fair way to conduct an investigation.

Senator OVERMAN. This information having been furnished to Maj. Humes—

Mr. UNTERMYER. I have no criticism to make of Maj. Humes at all on the subject.

Maj. HUMES. Mr. Untermeyer, are you acquainted with Mr. Ballin, formerly of the Hamburg-American Line?

Mr. UNTERMYER. The man who committed suicide in Germany?

Maj. HUMES. The same man.

Mr. UNTERMYER. He was one of the greatest men in Germany. No; unfortunately I never met him. I understand he was a great man.

Maj. HUMES. You have some recollection of the fact that there was a case for conspiracy against a man by the name of Koenig?

Mr. UNTERMYER. Only as I have read it in the newspapers.

Maj. HUMES. Did you ever have any discussion with Dr. Albert about that matter?

Mr. UNTERMYER. No; I do not remember ever discussing Koenig. Did Mr. Stanchfield defend him, or who defended him? Do you remember?

Maj. HUMES. Mr. Stanchfield. That was the case referred to, where through your mediation a reasonable fee was charged.

Mr. UNTERMYER. He did not get what he was entitled to. I did not know who was the defendant, and never heard anything about the case or its facts.

Maj. HUMES. Is it not a fact that Dr. Albert called you on the telephone and advised you with reference to the discharge of Koenig, after he was indicted, by the Hamburg-American Line, and that you advised Dr. Albert on that matter?

Mr. UNTERMYER. No; that is not true. I never had anything to do with Koenig or advised about Koenig. He had as good counsel—Dr. Albert or Mr. Koenig—as there was in the country?

Senator NELSON. Who?

Mr. UNTERMYER. Mr. Stanchfield.

Maj. HUMES. This was not with reference to the defense of the case, remember, Mr. Untermeyer. This was as to whether or not the Hamburg-American Line should discharge Koenig as soon as he was indicted.

Mr. UNTERMYER. Oh, I never heard it. I would not have advised discharging him or any other man, if I had been asked, on a mere charge in advance of trial if the man claimed to be innocent, if I had been asked.

Senator NELSON. This Mr. Stanchfield, is that the \$5,000 lawyer that you referred to?

Mr. UNTERMYER. Senator, he is not a \$5,000 lawyer. He is a \$50,000 lawyer, but he took \$5,000 in this case.

Maj. HUMES. I do not know what the position of the committee is with reference to proceeding in the ordinary way to definitely refresh the recollection of the witness with reference to this matter.

Mr. UNTERMYER. Are there more telephone talks, Major?

Maj. HUMES. No. It is with reference to this conversation.

Mr. UNTERMYER. You mean in regard to Koenig?

Maj. HUMES. Yes.

Mr. UNTERMYER. I say I had none.

Senator KING. Maj. Humes, your contention is that he had a conversation with some individual?

Maj. HUMES. I am not making a contention. I am contending that I am so informed.

Senator KING. That is what I mean.

Maj. HUMES. I am not assuming responsibility for the facts.

Senator KING. There will be no impropriety, it seems to me, if you ask the witness if he had any conversation on a certain subject, and then if he says no, then if you claim that you have words that were uttered, exhibit the words to him. That would be my understanding of it.

If he denies that any such conversation occurred, it would seem to me that, unless you intend to impeach him, that would end it.

Maj. HUMES. In regular procedure you would ask him the more definite question, but I thought the committee had possibly decided——

Mr. UNTERMYER. I have seen the courts again and again stop counsel from asking such questions——

Senator OVERMAN. I think the Major can ask the question to refresh his memory as to whether that is it or not, that having been furnished to him as true in this investigation.

Mr. UNTERMYER. Let me see it, will you? What on earth has this all to do with this matter, Mr. Chairman?

Senator OVERMAN. I do not know.

Mr. UNTERMYER. I can not understand. This is the veriest drivel, if I may say so. I can not see what it has to do with it at all. May I see what you have there, Major?

Maj. HUMES. Surely.

Mr. UNTERMYER. I can say that I had no such conversation. I never heard Dr. Albert refer to Mr. Ballin. I did not know Mr. Ballin was in this country.

Senator NELSON. You had better mark the cases you have exhibited to him, Major, so that if you want to contradict it, you will have them identified in a certain way—the ones that he denies.

Mr. UNTERMYER. I said I had no such conversation. Mr. Ballin—I did not know that he was in this country. I had not heard of his ever being in this country. I am surprised to hear, from this, that he was in this country.

Maj. HUMES. Note in the record that this refers to a conversation of January 27, 1916—this paper shown to the witness.

Senator NELSON. You refer to Mr. Ballin, the head of the Hamburg-American Line?

Mr. UNTERMYER. Yes.

Senator NELSON. The man who committed suicide in Germany recently?

Mr. UNTERMYER. Yes. The man who was the adviser of the Emperor, and who advised him not to go to war, I think. And he was heartbroken at his attitude, and out of favor for a long time. I never met that man. I would like to have met him. I never knew he was in this country, and I do not think he ever was.

Senator OVERMAN. You say he committed suicide?

Mr. UNTERMYER. So it is stated in the newspapers, Senator.

Senator OVERMAN. I never heard of it.

Mr. UNTERMYER. I did not know that he was ever here.

Maj. HUMES. There is no allegation here that he was here. It is only a question of knowledge of the man and what his position was.

It does not say where he is. It says what his position is—not his geographical location.

Mr. UNTERMYER. It is suggested that I was asked this question and gave the following answer:

Do you know Mr. Ballin?

Yes. I know Mr. Ballin.

Well, I do not know Mr. Ballin, and I never met him. That must refer to some other fellow.

Maj. HUMES. No; he says: "Do you know who Mr. Ballin is?"

Mr. UNTERMYER. Oh. Is that it?

Maj. HUMES. Yes. "Do you know who Mr. Ballin is?"

Mr. UNTERMYER. "Yes; I know Mr. Ballin"—that is the answer. That is not so.

Maj. HUMES. You know who he was at that time, did you not?

Mr. UNTERMYER. Yes. But this man is supposed to have said: "Yes; I know Mr. Ballin."

Now, if anybody is going to come here and try to make any proof of any such conversation, Mr. Chairman, I would like to be advised; if I may be, and I would like the opportunity of coming here and raking him over.

Senator OVERMAN. You certainly may have that right if you want it.

Mr. UNTERMYER. I should enjoy the opportunity.

Maj. HUMES. I will ask the reporter to mark these two papers.

(The papers were marked by the reporter "U-A" and "U-B.")

Maj. HUMES. I call your attention, Mr. Untermeyer, to a letter of April 17, 1915, and ask you if you received that letter from Dr. Albert?

Senator OVERMAN. I think unless there is substantiation of this conversation it should not go into this record.

Senator KING. If Mr. Untermeyer denies that they occurred.

Senator OVERMAN. Yes; those that he denied occurred ought not to go into the record, unless you have proof to substantiate them.

Maj. HUMES. I am through with them for the present.

Mr. UNTERMYER. If he can bring anybody to substantiate them, I would like permission to examine him.

Senator KING. I understand that Mr. Humes is not putting them in the record, but is marking them for identification, so that if anybody testifies in regard to them later on they can be identified.

Maj. HUMES. Some of them you have read in, or you started to read in.

Senator KING. The Major is taking the right course.

Mr. UNTERMYER. I think I received such a letter as this.

Maj. HUMES. What does that refer to?

Mr. UNTERMYER. I am trying to make it out.

Maj. HUMES. It is dated April 17, 1915. [Reading:]

I have very carefully considered the suggestion concerning the Trade Commission, but I have come to the conclusion that we should better postpone any action.

What do you think of the German note?

You were kind enough to promise me a copy of your report concerning the Money Trust. Would you permit me to remind you on this.

Mr. UNTERMYER. I do not know. I suppose that refers to the bill that was then pending for the Federal Trade Commission, which I had assisted in formulating and was urging. I do not know.

Senator NELSON. Whom was that letter addressed to?

Mr. UNTERMYER. I do not know.

Maj. HUMES. Why was he recommending, if it was the Federal Trade Commission bill, that action be postponed on it?

Mr. UNTERMYER. I do not know what it is—concerning the Trade Commission? It may be some commission to go to Germany.

Maj. HUMES. I call your attention to your reply to that letter.

Mr. UNTERMYER. That might help me.

Maj. HUMES. That may refresh your recollection.

Mr. UNTERMYER. Yes. (After examining paper exhibited by Maj. Humes.) No; it does not; but you might put that in the record. The date is April, 1915.

Maj. HUMES. You have no recollection as to what is referred to in the correspondence?

Mr. UNTERMYER. No; I do not know what it means.

Maj. HUMES. Is it not apparent from that correspondence that it is some matter over which Dr. Albert has control, and therefore possibly not any legislative matter?

Mr. UNTERMYER. I do not think, on reading both letters, that it was a legislative matter. I do not think it referred to the Federal Trade Commission. I do not think it referred to something over which he alone had control. It may very likely have referred to some commission that was to come over from Germany here, or that was to go over from here to Germany, some commission to study trade conditions. You see, it was written very early—in April, 1915.

Maj. HUMES. Did Dr. Albert ever consult with reference to the advisability of sending commissions to Germany?

Mr. UNTERMYER. No; he did not; but there is nothing here that shows that he did. It was probably some general talk. He was, of course, anxious—

Senator NELSON. You had better read those letters.

Mr. UNTERMYER. Yes. They are not of any consequence.

Senator NELSON. That is a letter from Dr. Albert to you.

Mr. UNTERMYER. I think it is from Dr. Albert. It is not signed.

Senator NELSON. And you replied to it?

Mr. UNTERMYER. Yes; in April, 1915.

Maj. HUMES. This letter reads:

U-A

April 17, 1917. I have very carefully considered the suggestion concerning the Trade Commission, but I have come to the conclusion that we should better postpone any action. What do you think of the German note?

You were kind enough to promise me a copy of your report concerning the Money Trust. Would you permit me to remind you on this.

Sincerely yours.

That is a carbon copy of a letter from Dr. Albert.

The reply is as follows:

U-B.

APRIL 19th, 1915.

Dr. H. P. ALBERT,

41 Broadway, New York City.

DEAR DR. ALBERT: I take pleasure in sending you herewith a copy of the Report of the Committee on Banking and Currency of the House of Representatives known as the Pujo Committee, on the Money Trust.

I note the conclusion you reach concerning the Trade Commission and hope to have the opportunity of seeing you soon and discussing matters generally with you, which is always a source of pleasure and instruction.

Very truly yours,

SAML UNTERMYER.

Senator NELSON. Mr. Untermeyer, I do not think that refers to the Federal Trade Commission.

Mr. UNTERMYER. No. I think it did not, Senator Nelson.

Maj. HUMES. He corrected that statement, Senator.

Senator NELSON. It refers to some other trade commission.

Mr. UNTERMYER. I think it was probably some commission between the two countries; but you will note, Major, that I do not answer his question as to what I think of the German note.

Maj. HUMES. Following that, when you have, or did you have, the conference that you said you hoped to have soon, in order to discuss matters generally?

Mr. UNTERMYER. I do not remember. I do not remember the trade commission, or what it meant, or refers to.

Have you cleaned up all your documents, now, Major?

Maj. HUMES. Have you ever had any occasion to take matters up with Mr. Vanderbilt for Dr. Albert?

Mr. UNTERMYER. No. I do not know Mr. Vanderbilt.

Maj. HUMES. I will ask the reporter to mark this paper "U-C."

I call your attention, Mr. Untermeyer, to a carbon copy of a letter that Dr. Albert wrote to you under date of November 18, 1915, and ask you what the matters referred to in that letter are?

Mr. UNTERMYER. Oh, yes. That is not Vanderbilt. It is printed there as Vanderbilt, but it is Vanderlip. It is meant for Vanderlip.

Senator NELSON. Of the National City Bank, I suppose?

Mr. UNTERMYER. Yes. I remember this. He wanted to arrange—have you got the answer to it?

Maj. HUMES. No, sir; I have not.

Mr. UNTERMYER. It was some transaction with the Argentine Republic; some gold exchange transaction between here and Argentina.

Maj. HUMES. Something that Dr. Albert or his bureau were interested in?

Mr. UNTERMYER. I do not know what the transaction was, but there was some exchange or credit transaction; yes. I think it was something that the German Government was interested in, and the Argentine Government was interested in.

Maj. HUMES. And you were interesting yourself in it for Dr. Albert?

Mr. UNTERMYER. No. He asked if I knew Mr. Vanderlip, and I said that I did, and that I would introduce him, which I did. I do not know what ever happened to it. It was a perfectly proper and legitimate thing, and good business for Mr. Vanderlip.

Maj. HUMES. I presume the committee would like to know what is in this letter. It reads as follows:

U-C.

NEW YORK November 18th, 1916.

MY DEAR Mr. UNTERMYER:

With reference to our conversation today, I wish to advise you that I am now in possession of the details relating to the credits to be established here. I would therefore esteem it a favor if you would kindly arrange a meeting between Mr. Vanderlip—

Mr. UNTERMYER. No; I said that the firm represented them—represented the defendants.

Maj. HUMES. You did not represent them personally?

Mr. UNTERMYER. No; I think what happened was this: I think I signed the original bill. I am not sure whether I did or not. No. Robert H. McCarter of New Jersey was the attorney, and Mr. Marshall argued the case in the New Jersey Court of Appeals, I think it was. He argued the case, finally, in the court below, too.

Maj. HUMES. And you associated Mr. McCarter with you, did you not?

Mr. UNTERMYER. Oh, it was our case originally; yes.

Maj. HUMES. You took the matters up of Mr. Lemke in connection with it?

Mr. UNTERMYER. I think it was Lemke; yes. I did not have much to do with it. I turned it over to Mr. Marshall.

Maj. HUMES. I will ask the reporter to mark this paper.

(After the reporter had marked the paper "U-D":)

I call your attention to Exhibits U-C and U-D, and ask you if those are yours [handing papers to witness]?

Mr. UNTERMYER (after examining papers). I think they are all right. The first letter here, of April, 1915, evidently was not written by me, but in my name. It is not signed by me. The other letters are.

Maj. HUMES. It is your name that is signed to it?

Mr. UNTERMYER. Yes; but somebody in the office probably sent it.

Maj. HUMES. But it came from your office?

Mr. UNTERMYER. Yes; and the other letters are signed by me personally. They have reference to this wireless case.

Maj. HUMES. My recollection is that you stated this morning that had all occurred prior to the war.

Mr. UNTERMYER. No; on the contrary, I think you or one of the members of the committee said it had occurred prior to the war, and I corrected him. I said it was in January, 1915.

Maj. HUMES. Then the interests which you were representing in that matter were, as you stated, the German company that was really controlled or subsidized by the German Government itself?

Mr. UNTERMYER. No; I do not think so.

Senator NELSON. What are you going to do with those letters?

Mr. UNTERMEYER. Do you want those in the record? They are not of any consequence.

Maj. HUMES. I do not know whether you would want those in the record or not [handing papers to Senator Nelson].

Senator NELSON. No.

Mr. UNTERMYER. I want to say this, Maj. Humes: This was a private company. There was a French company, and there was a German company, and they were having a controversy over a contract; some private contract, as to whether the French company was entitled to take the wireless from the German company under that contract. The French company was suing the German company for specific performance of their contract; and that was in January, 1915. That was all there was to it; two private litigants in a controversy over a private situation.

Senator OVERMAN. Dr. Albert had nothing to do with this?

Mr. UNTERMYER. Do not have such a suspicious mind, Major. That is perfectly plain and a perfectly harmless business, banking transaction, over gold between here and the Argentine.

Maj. HUMES. Well, Mr. Untermeyer, you know it is rather difficult to go through some of these records without developing some suspicion.

Mr. UNTERMYER. Yes. On the other hand, sometimes you get obsessed on the subject.

Maj. HUMES. We will try not to do that.

Mr. UNTERMYER. You may have gotten there.

Senator NELSON. Do you not think the purpose of this was to establish a German credit for the German Government in South America?

Mr. UNTERMYER. No. I think the idea was to establish a German credit here for dealing with South America.

Senator NELSON. What about gold for South America?

Mr. UNTERMYER. That is it. That was to establish a credit here whereby they could have a gold exchange with South America.

Senator NELSON. Oh, yes.

Mr. UNTERMYER. It is a little too much for me. That is rather high finance, I imagine.

Senator NELSON. That is high finance?

Mr. UNTERMYER. Yes.

Senator NELSON. You did not cover that point in your Money Trust investigation?

Mr. UNTERMYER. Oh, yes; we did.

Senator NELSON. Did you?

Mr. UNTERMYER. Yes. We thought we exposed it—drove it to its lair.

Senator KING. That would simply mean some commercial transaction in which this Government or some of the banks might derive some little benefit or profit?

Mr. UNTERMYER. Certainly. I thought I would throw the business to Mr. Vanderlip if I could.

Senator NELSON. In other words, you wanted to help the City Bank to get some benefit out of it?

Mr. UNTERMYER. Yes; but it did not come to anything.

Maj. HUMES. It involved a shipment of gold to South America and a transfer of credit from Berlin to New York, did it not?

Mr. UNTERMYER. I do not know. I could not tell you what it involved. I let them discuss it.

Maj. HUMES. You were not present at the discussion, then?

Mr. UNTERMYER. Yes; I was there. I was up there, but I did not listen to the discussion. It was not a thing that interested me. I simply was bringing those two men together. That was my reason for being there.

Maj. HUMES. Now, Mr. Untermeyer, do you know Theodore R. Lemke, who represented the German Sayville Wireless?

Mr. UNTERMYER. Yes; he represented this wireless company that had that lawsuit that we have been talking about.

Maj. HUMES. I understand in your statement—let me refresh my recollection. In this statement you say you did represent them?

Mr. UNTERMYER. But the newspapers came out with a statement that this thing was formed at the home of Samuel Untermeyer. That is the way the thing started. Then I sent my telegram to the committee. Now, it is not a fair thing, you know, to take hold of people and distort things in that way. It is costing me \$25,000 a year to send milk to French babies now.

Maj. HUMES. Do you know Elizabeth M. Ross?

Mr. UNTERMYER. No; I never heard of her.

Maj. HUMES. Did she not work for you for a while?

Mr. UNTERMYER. I do not know. What was she?

Maj. HUMES. She was a stenographer, and was acting as a clerk for the citizens' committee on food shipments.

Mr. UNTERMYER. No. I do not recall her.

Maj. HUMES. And afterwards she went up to your farm or out to Greystone, and had charge of your pay rolls out there, and worked for you there?

Mr. UNTERMYER. I never heard of her. She never was a secretary of mine.

Maj. HUMES. I did not say "secretary."

Mr. UNTERMYER. Or stenographer. I do not think I ever heard of her or knew her. Yet it may be that she worked for me. I have a good many people working for me, and out at Greystone I have sometimes as many as 200 people.

Senator OVERMAN. You must have quite a large place there.

Mr. UNTERMYER. At some seasons I have 400 people there.

Maj. HUMES. You do not know, as a fact, that only \$100 or \$200 of the money that was raised by this committee on food shipments was utilized for the purchase of milk and that the rest was spent for the purpose which Edmund von Mach, Dr. Rumely and others were seeking to accomplish?

Mr. UNTERMYER. No; I do not know that, and I doubt whether you know it; yet your question seems to imply that you know it.

Maj. HUMES. That has been established before this committee.

Mr. UNTERMYER. Of course, if it has been, then they robbed everybody. This circular which I put in evidence here, under which Mrs. Untermeyer went in, said that anything they did not spend for milk would go to the Red Cross.

Maj. HUMES. Yes.

Mr. UNTERMYER. Now, you can get credulous ladies with lots of time on their hands and plenty of money to spend, to go into these things, and sometimes they get cheated.

Maj. HUMES. You have made the statement, Mr. Untermeyer, that that was entirely a legitimate enterprise.

Mr. UNTERMYER. I believe it to be.

Maj. HUMES. Aside from the motive that some of the individuals may have had, I simply wanted to call your attention to the fact that possibly you, and possibly some of the others, did not know of the manipulation by those in control.

Mr. UNTERMYER. I do not quite believe it yet. What I do know is this, that some of the leading physicians in the United States are on that board, as advertised in that circular; some of the most eminent clergymen in the country of different denominations are on that board, and some of the best-known women are on that board.

Now, I do not think they were going to let anybody get away with that money.

Maj. HUMES. Carl Schurz was the treasurer?

Mr. UNTERMYER. Yes, Carl Schurz was the treasurer, and "Carl Schurz" is a very great name. His father was one of the greatest men this country has ever had, and a great patriot.

Maj. HUMES. Yes, we will accept that, but what do you know of this man's connection with the German representatives in this country?

Mr. UNTERMYER. I do not know anything about it, but I do not think you ought to drag his name into this controversy. It is a great name.

Maj. HUMES. What do you know about Edmund von Mach?

Mr. UNTERMYER. I understand he was a professor at Harvard University, was he not? That is all I ever heard of him. Since you have mentioned Mr. Schurz's name—Carl Schurz—I have only met him once in my life, but I do not believe that that man, the son of a great father and a great patriot in this country, would be connected with anything that was inimical to the interests of this country. I think the traditions of the name that he carries would be enough with any kind of a decent man to prevent such a possibility. Now, do not let us discuss Mr. Schurz. He is not here to defend himself, and I do not think it is fair that he should be discussed.

Maj. HUMES. We have no desire to discuss Mr. Schurz.

Mr. UNTERMYER. Well, you mentioned his name first.

Maj. HUMES. As an official of this organization.

Mr. UNTERMYER. That, to my mind, ought to have been some guarantee of its legitimacy. He was treasurer of the organization, and I do not believe he would get away with its money.

Senator STERLING. Was Mr. Schurz attorney for the German Embassy?

Mr. UNTERMYER. I never heard of it. The recognized attorneys for the German Embassy were Hayes, Kaufman & Lindheim.

Senator STERLING. Did Mr. Schurz serve in that capacity at least part of the time?

Mr. UNTERMYER. As counsel for the embassy?

Senator STERLING. Yes.

Mr. UNTERMYER. I never heard of it. I did not know anything about the affairs of the German Embassy or its business.

Senator OVERMAN. They had numerous attorneys of whom you do not know?

Mr. UNTERMYER. Oh, yes; they employed a great number of counsel in different cases.

Maj. HUMES. Did you ever hear of the "Pan German Union?"

Mr. UNTERMYER. No; I did not know there was such a thing.

Maj. HUMES. Did you ever know Dr. Hugo Schweitzer?

Mr. UNTERMYER. No.

Maj. HUMES. Or Dr. Isaac Straus?

Mr. UNTERMYER. Was he the man who had the Jewish Chronicle?

Maj. HUMES. Not that I know of; but, if so, only temporarily.

Mr. UNTERMYER. There was one "Straus" who had the Jewish Chronicle.

Maj. HUMES. Did you ever know Dr. Grosse?

Mr. UNTERMYER. No; I never heard of him. They are all strange names to me.

Maj. HUMES. That is all, Mr. Untermeyer.

Mr. UNTERMYER. Thank you.

Senator OVERMAN. Any other questions, gentlemen?

Mr. UNTERMYER. I am obliged to you, gentlemen.

Senator OVERMAN. I have a letter here addressed to the committee by Mr. Merrill. Will you read this, Maj. Humes [handing paper to Maj. Humes]? Maybe there is some reflection on you in that letter.

Senator NELSON. No; it is rather more a reflection on Capt. Lester.

Senator KING. Read it, then.

Capt. LESTER. There are gross misstatements in the letter which can be contradicted by the original evidence that I have in my possession.

Senator OVERMAN. Then, let the letter go in as it is.

(The letter above referred to, dated Dec. 14, 1918, appears in full below, as follows:)

NEW YORK AMERICAN,
December 14, 1918.

Hon. LEE S. OVERMAN,

*Chairman of the Senate Committee Investigating
German Propaganda, Washington, D. C.*

SIR: As the testimony given before your committee yesterday by Captain George B. Lester of the Military Intelligence Bureau, U. S. Army, concerning the Hearst papers, the Hearst news service, and several war correspondents of the New York American at Berlin prior to our entrance into the war, contains many mis-statements of fact, showing either gross ignorance or wilful misrepresentation, will you permit me to call your committee's attention to a few of them.

Capt. Lester produced before your committee more than fifteen hundred telegrams, letters and other documents relating to the matters your committee is investigating. These dispatches and documents have been in the possession of the Intelligence Department for a year or more. Yet in testifying about them Capt. Lester has stated as matters of facts things that never happened and has stated as conclusions, innuendoes or insinuations things that the evidence before him clearly disproves.

As your committee has not the time personally to examine the vast number of documents involved, it is important that the mis-statements in respect to them should not go uncorrected or unexplained.

I will mention as briefly as possible only a few of the actual misstatements of fact or misrepresentation of documents. Capt. Lester testifies:

"I have read every message that the Navy Department supplied us, of which there are about fifteen hundred, containing Dr. (William Bayard) Hale's personal, private messages, his news messages, and his editorial articles, and I have failed to find an expression in favor of the Allies in a single one of them, and I have never failed to find an expression in favor of Germany tucked in somewhere."

The answer is that Dr. Hale was sent to Berlin by the New York American in May, 1916, expressly to write the German side of the war, precisely as the American sent other distinguished correspondents to London to get the English side of the war, and others to Paris and to Rome to get the French and Italian sides of the war. It was Dr. Hale's duty to send the German Government's own interpretation of every important event and the views of the foremost German statesmen. It was obviously impossible for him to cable from Berlin, to use Capt. Lester's phrase, "any expression in favor of the Allies" just as it was impossible for our London correspondent to cable from London any expression favorable to Germany.

Moreover, war correspondents in Berlin as well as in London sometimes put in their dispatches pro-German or pro-British expressions or comments solely for effect on the censor to get important messages passed. Such expressions or comments have sometimes been eliminated by the editor receiving them and never published because the editor perceived or guessed that the expressions or comments were written to obtain passage for real news.

Capt. Lester was cross-examined at length by Senator Sterling and Senator Walcott and Senator Nelson as to whether Mr. Hearst, or the editors of the American, in reading Dr. Hale's messages, knew that they were pro-German. The most superficial examination of the messages themselves would show anyone that they were all pro-German. That was what Dr. Hale was in Berlin for.

The Department of Justice introduced testimony before the Senate Committee stating that Dr. Hale, while he was acting as correspondent of the American, received a stipend from the German Government. Dr. Hale denies this. I have no other means of knowing whether the statement is true or false. But I can not see any reasons why the German Government should have paid Dr. Hale anything as he was sent to Berlin expressly to send the German side of the war to the American, and the American paid him for his services a larger sum than the United States Ambassador to Berlin received from the Government of the United States to send truthful and accurate news solely for the information of the American public as to what the German Government was doing or saying. The American paid him over \$35,000 in 59 weeks for salary and expenses.

He was selected to go to Berlin solely because he had been distinguished by the United States Government by receiving a confidential mission to Mexico as the special personal representative of President Wilson, because he had been the biographer of President Wilson, had compiled the book, "The New Freedom," of President Wilson, had been for years prior thereto a literary editor of the New York Times, had traveled much in Germany and spoke the German language, and had written for the Century Magazine in 1908 an account of the German Government and Military System and an interview with the Kaiser which was the subject of world-wide comment. He was also a writer of unusual force, and had considerable diplomatic experience. Our contract with him required him to devote all his time and ability to the New York American.

The New York American did not know that Dr. Hale had been employed, prior to his engagement by the American, in editing the daily budget of German newspaper extracts or interviews given out in the United States during 1914 and 1915 by a bureau entitled "The German Information Service." But there was no impropriety on the part of Dr. Hale collaborating in 1915 in that budget of information while the United States was neutral in the war for the reason that the daily budget furnished by the German Information Service was sent to the press everywhere clearly marked and was exactly what it purported to be, a collection of interviews and extracts from German papers, giving Germany's side of the war.

Capt. Lester testified that Dr. Hale had the exclusive use of the German wireless service. The slightest inquiry or investigation by Capt. Lester would have shown this statement to be untrue. The German wireless service was shared by nearly all the important newspapers in the United States and others. The New York American paid a word rate for the use of the wireless exactly as it paid for the transmission of news over the under-sea cables from England or France. There was no direct cable to Germany; the wireless was the only method of reaching Germany direct.

Capt. Lester testified that Dr. Hale, while in Berlin, "capitalized his former connection with the United States Government as a Minister Plenipotentiary to Mexico and his friendship and association with President Wilson and innumerable Government officials. In fact Dr. Hale was looked upon as one of the strongest representatives that America could have in Germany, and as a man who had the entree into Government circles."

Capt. Lester's carelessness in dealing with facts is indicated by this testimony, since Dr. Hale was never Minister Plenipotentiary to Mexico and could hardly have represented himself as such even if he were an unscrupulous person because the misrepresentation would have been so easily exposed.

The following questions and answers appear in the testimony before the Senate Committee:

"Senator NELSON. Now when other sources of transmitting news over here, or editorials, by Dr. Hale by cable was cut off, the Germans furnished him their services?"

"Captain LESTER. That is a fact, sir."

"Senator NELSON. That is, he knew where to go; after he was cut off from other sources, he applied to the German Government and got the use of their wireless?"

"Captain LESTER. Yes, sir."

The direct cable to Germany was cut in August, 1914, in the first two weeks of the war, by the British Navy. After that, all direct transmissions of news to and from Germany by newspapers generally was by German wireless. New York bankers transferred money in hundreds of cases to their clients in Germany by wireless. Dr. Hale had no exclusive privilege.

Capt. Lester testifies that after the German submarine *Deutschland* made her unprecedented trip under the seas to Baltimore, as a commercial boat, Capt. Koenig wrote a book on the voyage and Mr. Hearst obtained exclusive rights to publish this book in the United States by donating the profits to the widows and orphans of the crews of the submarines. The following questions and answers appear in the testimony:

"Senator WALCOTT. You mean the widows and orphans of the German sailors who were on these ships?

"Captain LESTER. Yes, the widows and orphans of the sailors who were on the submarines.

"Senator STERLING. This was a proposition from Dr. Hale to Mr. Hearst?

"Captain LESTER. Yes, Dr. Hale put it up to Mr. Hearst and . . . offered to turn over the proceeds of the Society for the Widows and Orphans of the Sailors of the Under-Sea Boats.

"Senator WALCOTT. Not for the benefit of the widows and orphans of the victims?

"Captain LESTER. No, Senator, not for the benefit of the widows and orphans of the victims, but for the widows and orphans of the men that ran the submarines."

The Military Intelligence Office of the Government requested full information about this and all the letters and facts were laid before the Government so there is no excuse for mis-stating the facts.

The record shows that the *Deutschland* was built by a private commercial company, of which a Mr. Lohman, head of the North German Lloyd, was the President; that the boats were to be trading boats, unarmed; that the *Deutschland* was thoroughly examined by the United States Government and found to be a peaceful trader and was accordingly given clearance papers to go and come from all ports; that she returned to Germany with a large cargo of copper and rubber; that there was keen competition between the leading newspapers of the United States, including the New York World, the Chicago Tribune, the New York American, and the New York Times to obtain Capt. Koenig's own story of the first unprecedented voyage; that the negotiations to obtain the book, begun by Dr. Hale in Berlin, ended with Paul Hilken, agent of the North German Lloyd in Baltimore, to whom the *Deutschland* was consigned; that the New York American bought the book, offering to donate all of the profits to the Society for the Widows and Orphans of German Sailors in which Lohman, head of the North German Lloyd, was greatly interested. There was never a suggestion that the profits should go to the widows and orphans of the sailors manning German armed submarines. In the same way Mr. Hearst published "King Albert's Book" in this country, donating all the profits to Belgium.

The final result of the newspaper competition of Capt. Koenig's book was that the New York World obtained a translation of Capt. Koenig's story, had it cabled from Scandinavia, and printed it as a serial in the New York World. The New York American brought out the book later to fulfill its promise, but the publication having been anticipated by the New York World, there were no profits on the book. There was a loss instead, which the New York American paid, and Paul Hilken, agent of the North German Lloyd, was so informed.

Capt. Lester testifies as to another correspondent, Edward Lyell Fox, as follows:

"An arrangement was made by the Hearst newspapers to employ Mr. Fox to write articles while in Germany, attaching himself to the headquarters of the Hearst service while in Berlin. This arrangement is evidenced by a letter given to Mr. Fox by Bradford Merrill, Publisher of the New York American, to E. Norgrove Cox at the Hague, who was in charge of the European end of the Hearst News Service, known as the International News Service. * * * This is the news service which was operated by cable which the English Government abolished in October, 1916. The English Government refused to handle the news service from October 1916 to—well, I do not think the service has ever been resumed. * * * There is evidence which I shall shortly produce that Mr. Fox was a propagandist for the Hearst American papers; that he acted under the direction of Mr. Schweppendick, the Berlin manager of the Hearst newspapers in the preparation of articles, and sent them to America for publi-

cation. * * * Articles coming from Mr. Fox were sheer propaganda, they were admitted to be propaganda, and they were published by him and written by him without any foundation in fact as to one article under the direction of the German Publicity Bureau in Berlin."

Capt. Lester then describes and quotes in detail the headlines of two articles written by Mr. Fox that appeared in the New York American of Sunday, April 18, and Sunday, April 25, 1915, describing alleged atrocities committed by the Russian soldiers during the Russian invasion of East Prussia.

The truth is that Edward Lyell Fox was never sent abroad by the International News Service or by the New York American. He was given a letter of introduction to the New York American's correspondent in London and at the Hague as "The correspondent of the Wildman Newspaper and Magazine Syndicate." Edwin Wildman was the head of a syndicate furnishing articles to Newspapers in all parts of the country. He was formerly Consul General to Hong Kong and is now editor of the Forum magazine.

The American received from Mr. Wildman and paid very liberally for four or five of Mr. Fox's letters received by the Wildman Syndicate from Berlin. These were published in the New York American as "written by a neutral correspondent."

Mr. Fox was not the correspondent of the American or the International News Service. He was never attached to the Hearst Bureau in Berlin and never received instructions from Mr. Schweppendick. The International News Service never forwarded or distributed his dispatches. They were sent direct by Mr. Fox to the Wildman Syndicate in New York, which offered them to the New York American and many other newspapers. They were paid for liberally by the American because it was then making every effort to get the strongest presentation of every belligerent's side of the Great war.

Capt. Lester refers to the Lyell Fox letters published April 18 and April 25, 1915, in the New York American as "pure German propaganda." Captain Lester does not state what the most cursory examination of the files of the New York American of those dates will show, namely, that besides the Edward Lyell Fox account of the alleged Russian atrocities—being Germany's side of the war—these two identical issues of the New York American contain a counter article on the Carpathian invasion written by Hilaire Belloc, the foremost military critic in England; an attack on Germany's conduct in Belgium by Guglielmo Ferrero, the eminent Italian historian, then a regular correspondent of the Hearst papers; an article by General Goethals on the defense of the Panama Canal; an appeal to the United States to enter the war by Jean Pinot, the celebrated French editor and writer; an article entitled "How Militarism has degraded German Women" by the General Victoriano Huerto; and an interview with the Queen of the Belgians on German atrocities by Pierre Loti of the French Academy. These articles were pure British propaganda and French propaganda and Italian propaganda, like the series of twelve articles by Mrs. Humphrey Ward, the foremost authoress in England, which the American also obtained at great expense and published at that time but not in these particular issues. The United States was then neutral in the war. The aim of the Hearst papers was to obtain the most authoritative statements by the most eminent officials and personalities in all the belligerent countries. The Hearst papers thus published in two years about 4,000 columns of pro-German articles and 10,000 columns of pro-Ally articles.

The truth and accuracy of Capt. Lester's testimony on other points is well indicated by the last sentence just quoted from his testimony in respect to the International News Service being resumed by the British Government—"Well, I do not think the service has ever been resumed."

The truth is the International News Service was restored to full cable privileges many months ago and without any sacrifice of its full independence. It is still an American news service, printing the facts, not subject to British control. It was restored to full rights not only by Great Britain but by Canada many months ago and no restraint or restriction rests upon it whatsoever.

Notwithstanding the daily evidence in 141 daily newspapers throughout the United States, most of which print the International News Service credit line in connection with its dispatches, Capt. Lester testifies: "I do not think the service has ever been resumed."

The American was afterwards informed that Mr. Fox entered the U. S. Army and obtained a commission.

Captain Lester says that the relations between Dr. Albert the head of the German propaganda in the United States in 1914, and Hearst's American were very close, and adds in his testimony:

"We also have information that a man by the name of Marshall Kelly, who is reported as being in the employ of the Hearst organization, was the confidential go-between who handled matters in conjunction with the Albert news bureau and the Hearst news agency. Marshall Kelly was sent to Baltimore some time in 1915, on behalf of Dr. Albert and Dr. Dernburg, as our information shows, to negotiate the purchase of the Baltimore Sun for the Germans. This mission apparently came to nothing.

"We next find that Marshall Kelly is connected with the Chicago Herald Examiner in 1917, and in the fall of 1918 he was sent to Milwaukee, Wis., to take charge of the 'Wisconsin' the paper purchased by Mr. Brisbane."

"Senator NELSON. Was this Mr. Kelly an employee at that time of Mr. Hearst's paper?"

"Capt. LESTER. Yes, sir; he is so reported.

"Senator NELSON. And he afterwards turns up as an employee of Mr. Brisbane?"

"Capt. LESTER. Well, he was employed in the Hearst publication, the Chicago Examiner."

As to the "close connection between Dr. Albert and the New York American," I can only say that I have been actively in charge of the New York American's news for many years, and I never met either Dr. Fuehr or Dr. Albert. The only record I find in my files is a note from Dr. Fuehr, dated October 28, 1918, in which he says: "I have never had the pleasure of meeting Mr. Merrill personally." I never did meet him, nor Dr. Albert.

As to Marshall Kelly, no one in the Hearst organization, so far as I have been able to ascertain by inquiry, ever heard of Marshall Kelly until Capt. Lester's testimony mentioned him as a Hearst employee who had tried to buy the Baltimore Sun. No representative of the Hearst organization was ever sent to Baltimore to try to buy the Sun. The editor in charge of the Chicago Herald Examiner, Mr. Howry, wires me that he never heard of Marshall Kelly until he read Capt. Lester's testimony. He is still without any knowledge or information of him except that testimony.

The above covers, I believe, all the important points in the testimony brought out yesterday.

May I now refer to the testimony of A. Bruce Bielaski, Chief of the Department of Justice Secret Service, before the Senate Committee earlier this week in regard to Bolo Pasha, the French traitor. Mr. Bielaski testified:

"We do not know whether Mr. Hearst knew the facts or not, but we do know that Mr. Hearst was intimately associated with Bolo Pasha while he was in the United States and that it was Mr. Hearst's man who brought him over here."

Senator King, of Utah, asked Bielaski if he was sure. At this point Capt. Lester interjected:

"Bertelli brought him over here. Our files show that and will be introduced."

All the facts in regard to Bolo Pasha known to Mr. Hearst or his managers are derived from the investigation of his record in New York by the Attorney General of the State of New York at the request of the French Government. From this it appears that Bolo Pasha first came to the United States in March 1916; that he figured as a citizen of France, born at Marseilles, who had made a large fortune in the East, where he obtained the title of "Pasha"; that he was a co-owner with M. Humbert, a Senator of France, of *Le Journal*, one of the most popular newspapers in Paris.

Charles F. Bertelli, a representative of the International News Service in Paris, having been ordered to come to New York for a conference, traveled to New York on the same steamer with Bolo, whom he knew as the proprietor of one of the most important Paris papers.

At his request, Mr. Bertelli presented Bolo, after his arrival in New York, to Mr. Hearst. Mr. Hearst, with seven or eight others, was invited to meet Bolo Pasha at a dinner in the public dining room of Sherry's given by Mr. Bertelli. The other guests included Jules Bois, the well known French Lecturer who was then speaking in this country in behalf of the French Government; Jules Gerard, the brother of the then American Ambassador to Berlin and Mr. V. V. Anda, the Managing Editor of the New York Times.

Mr. Bertelli had been the chief correspondent in Paris of the New York Times for several years before he joined the International News Service. He is a native of Italy but a graduate of Oxford University in England, and was a very well known, perhaps the best known, correspondent of American newspapers. He is now in the Italian army.

The conversation during the dinner in the public dining room of Sherry's was upon general topics. If anything of importance on any subject was said by Bolo Pasha to anybody or by anybody to him, it escaped Mr. Hearst's notice. A published statement, written later by Mr. Van Anda, managing editor of the New York Times, indicates that his recollection of the dinner and the occasion and his understanding of the character of Bolo Pasha were the same as Mr. Hearst's.

During the dinner Bolo Pasha told Mr. Hearst that he was having difficulty in getting print paper for his Paris Journal and he desired to talk with him about obtaining a supply in America.

Three or four days later he called at Mr. Hearst's house. The object of his visit was to ascertain from Mr. Hearst, if possible, how he could obtain some print paper in this country. Mr. Hearst told him that he would have great difficulty in getting paper for export as the American publishers were having trouble in getting enough paper for home consumption. Mr. Hearst's recollection is that he offered to give him a letter to the principal paper manufacturers, but after a brief chat upon conventional social topics, Bolo took his leave. Nothing of a private, or personal, or political nature was mentioned between them.

Mr. Hearst never saw Bolo Pasha afterwards or heard from him. He never at any time had any personal knowledge of his character, antecedents, or purposes, other than stated here. He does not remember to have heard even his name mentioned again until the exposure was made of his true character, about eighteen months later in Paris.

It appeared that Bolo was the brother of Monsignor Bolo, a distinguished prelate of the Roman Catholic Church in Paris and one of the most eloquent preachers in France; an intimate friend of Judge Monier, holding one of the highest judicial positions in France; the partner of Senator Humbert in the newspaper business; and that his influence was sufficient to secure his invitations to a dinner of President Poincaré of France and of Louis Barthou, an ex-Premier of France.

The wife of Edmond Rostand, the French poet, sought his aid, it appears, in getting reinstated to his command a French general, and when it was done the wife of the poet wrote a letter of thanks to Bolo Pasha beginning "O magnificent Pasha." One of his agents in Paris was George Mandel, who was also the confidential man of Georges Clemenceau, the present premier of France. He received mail at the Paris office of J. P. Morgan & Co. of New York.

The New York Attorney General's investigation of the files of J. P. Morgan & Co., fiscal agents of both the French and British governments, disclosed telegrams from J. P. Morgan's senior partner in Paris, Baron Harjes, commending Bolo Pasha to J. P. Morgan as a client having "connections which are of great importance to us." Baron Harjes' letter to his senior partner in New York, J. P. Morgan contained this statement:

"We think it perhaps well to add, in view of the somewhat Oriental sonnance of this gentleman's name and title, that he is not a Turk, and in fact is the brother of a well known French archbishop."

Another letter found in the Morgan files was from the Royal Bank of Canada, which is an official agent of the British Government, enclosing a check for \$170,068.03 from Bolo Pasha to be transmitted by the Morgan firm to Paris to the credit of Senator Charles Humbert.

Bolo Pasha's financial transactions with the Morgan firm and the Royal Bank of Canada were so large, amounting to more than a million dollars, that the record, when examined by the Attorney General of New York, bore the initials "J. P. M.," showing that the head of the Morgan firm personally O.K'd the account.

Other correspondence found in the Morgan files between J. P. Morgan & Co. in New York and Bolo Pasha at the Plaza Hotel in New York related to the transfer of a million francs to Paris for Bolo Pasha; and again an inquiry by Harjes of Morgan what interest he would allow Bolo Pasha on a fund of \$1,000,000 in America; also another telegram dated April 14, 1916, from J. P. Morgan's Paris house, notifying him that the Royal Bank of Canada "will deposit with you about nine hundred thousand dollars account of Bolo Pasha;" also another letter from the Royal Bank of Canada, signed by N. G. Hart, Assistant Agent, to J. P. Morgan, advising him that under cabled instructions just received from Paul Bolo Pasha in Paris "we are enclosing our check to your order for the sum of \$1,000,000 which please credit to the account of said Paul Bolo Pasha."

Bolo Pasha visited Canada, carrying a letter of introduction to the Royal Bank of Canada, at Montreal, from its New York representative, R. E. Jones, reading as follows:

"Mr. Bolo is the owner of the Paris Journal, a newspaper with a circulation of 2,000,000 daily, and using 3,500 to 4,000 tons of newspaper material. He informs me when other French newspaper owners learned he was coming to America, they held a meeting and commissioned him to make contracts covering the requirements of all.

"Mr. Bolo impressed me as being a very able man, and, I judge, one of influence in France. His title 'Pasha' was received from the Khedive of Egypt when, for six years, he acted as financial adviser to the Khedive, and was the French Government's representative."

Thus American financiers were led to believe Bolo had been a "French Government official," was a man "of influence in France," represented all the leading publishers of Paris, "owned" the Paris Journal, and was coming to America solely to buy newspaper for the newspapers of France, whose supply of news print had become exhausted because of the war.

If at the time of his visit to New York the head of the Morgan firm, having confidential relations with both the French and the British Governments, and their fiscal agents, did not know the true character and connections of Bolo Pasha, how could a private citizen like Mr. Hearst, who had no interest in him, who met him only socially, in the most casual way, and who had no dealings whatsoever with him, be supposed to know?

Yet the witnesses summoned before your committee suppressed, or failed to mention, the facts indicated by these and other records tending to prove that the chief object of Bolo Pasha's visit to America was to handle millions of dollars through J. P. Morgan & Co., the bankers of the Allies, and the Royal Bank of Canada, and that he did so with the knowledge of J. P. Morgan personally, his chief partner in Paris, Harjes, and the New York agent of the Royal Bank of Canada. Bolo also handled several million dollars through the other New York Banks.

But the witnesses before your committee make no reference to these eminent bankers who had transactions of such magnitude with Bolo and who should have known his real business.

The witnesses before your committee did not bring out the truth. They suppressed the truth. They asserted instead the falsehood that "Bolo was intimately associated with Mr. Hearst."

No one who knows the character and training of the officers of our regular army and navy as I do would ever doubt the strict veracity of any statement made by them.

But officers and agents receiving appointments by the Government from civil life in time of war sometimes receive and credit false and malicious reports or express the hatreds and revenges of corrupt and predatory private interests.

I am sure that your committee, which has given so much of its valuable time to this investigation, wishes to bring out the truth. Any further information or testimony that I can give is, of course, entirely at your service.

Faithfully yours,

S. BRADFORD MERRILL,
General Manager Hearst Papers

TESTIMONY OF CAPT. GEORGE B. LESTER—Resumed.

Senator OVERMAN. Are you willing to go on without having Mr. Merrill here?

Capt. LESTER. Certainly. Everything I have here is documentary.

Senator OVERMAN. Capt. Lester, you were brought here by the committee, assigned by the Secretary of War to bring these documents here?

Capt. LESTER. Yes.

Senator OVERMAN. And your testimony on the other days was documentary?

Capt. LESTER. Based upon documentary evidence; yes, sir.

Senator OVERMAN. Now, you may go ahead and make any statement you wish.

Capt. LESTER. In connection with the letter of Mr. Merrill, of the New York American, written December 14, 1918, I wish to call the committee's attention to the fact that in my testimony I stated Edward Lyell Fox was sent to Germany by the Wildman Newspaper Syndicate; that Mr. Wildman believed that he was sending Mr. Fox as a writer, and that Mr. Fox was also employed by the Correspondence Film Co., which was operated by Mathew B. Claussen. In addition to those two arrangements, Mr. Fox was employed to write articles while in Germany for the Hearst newspapers and was attached to the headquarters of the Hearst newspapers, managed by Mr. Schweppendick, in Berlin. In support of that statement, I offered the letter of Mr. Merrill.

Senator OVERMAN. Mr. Merrill himself signed it?

Capt. LESTER. Yes; Mr. Merrill himself signed it—Mr. Bradford Merrill, publisher of the New York American—introducing Mr. Fox to Mr. E. Norgrove Cox, their representative at The Hague, and requesting Mr. Cox to give Mr. Fox the service of their means of communication with the United States.

Senator OVERMAN. This is a letter from Merrill to whom?

Capt. LESTER. From Merrill to the Hearst representative in The Hague.

Senator KING. This is a letter you called attention to when you were on the stand before?

Capt. LESTER. Yes, sir. I want to read it again. When Mr. Fox arrived in Berlin he received a letter from Mr. Schweppendick, dated July 27, in which Mr. Schweppendick states as follows:

Your note of yesterday is at hand. I see you have secured two interviews which you are forwarding to Mr. Merrill. I also see you expect to go to Warsaw. Well, I had made arrangements to have one of my men there, not knowing any of your plans at that time. So we may have two men on the spot.

I call the attention of the committee also to the list of the newspaper correspondents that took the trip from Berlin to Dresden and Munich and from there to the north of Germany, which trip was under the direction of the German Government, in which Mr. Fox is No. 6 on the list, as the representative of the "Hearst Blätter," meaning the Hearst newspapers, New York and Boston. That is an original document which Mr. Fox handed to me.

(The paper above referred to is here printed in full, as follows:)

LISTE

DER TEILNEHMER AN DER REISE NACH MITTELDEUTSCHEN UND SÜDDEUTSCHEN STÄDTEN.

1. Leiter: Direktor Schumacher, z. z. in der Zentralstelle für Auslandsdienst Berlin.
2. Frau Dr. Lehr de Waal (verschied. holländische u. indische Zeitungen)
3. Fräulein Ebba van Sillen (Svenska Dagblad, Svensk Volkviljan Stockholm).
4. van Lissa (Algemeen Handelsblad) Amsterdam.
5. Harry Carr (Los Angeles Times) Kalifornien.
6. Mr. Fox (Hearst Blätter) New York, Boston usw.
7. Major Sa (Corelo de Manhã Brasilien).
8. Rev. L. M. Powers (Boston Journal u. and Zeitungen) Boston.
9. Abrecht (New Yorker Staatszeitung) New York.
10. Philip Powers (Associated Press) New York.
11. Dr. Iar Iliescu (Rumänische Zeitungen) Bukarest.

12. Siösteen (Südschwedische Zeitungen) Göteborg.
13. Djelepy (Semaia) Athen.
14. Saadi Bey (Ikdam) Konstantinopel.
15. Olaf Selmer-Anderssen (Dagblad, Tidens Tegn) Kristiania
16. Moussault Illustrationsphotograph (Vereenigde Foto Bureaux) Amsterdam.
17. John Everets. Kinophotograph der Zentralstelle für Auslandsdienst.
18. A. Grohs, Illustrationsphotograph, Berlin.

Senator STERLING. Has Mr. Merrill, in his letter filed with the committee and which has gone into the record—the letter dated December 14, 1918—denied these letters and the facts stated in them?

Capt. LESTER. Mr. Merrill has denied that the Hearst publications ever employed Mr. Fox as a correspondent.

On September 10, 1915, Mr. Wildman wrote a letter to Mr. Edward Lyell Fox, discussing Mr. Fox's work in Germany, this letter being addressed to Mr. Edward Lyell Fox, Hotel Adlon, Berlin, Germany, in which he says, in part:

Mr. M. Suggests the importance of big interviews. He thinks the value of big descriptive material will be dependent upon your impartial presentations. The feeling in this country toward Germany was getting better until the Dumba-Archibald incident.

In another letter addressed to Mr. Fox, under date of New York, October 11, 1915, at the Hotel Adlon, Berlin, Germany, Mr. Wildman writes, in part:

I have not as yet been able to dispose of the article on the prison camp. Mr. Merrill writes me that they have had an article in type for four weeks on the prison camp at Ruhleben, with very excellent photographs. There has also been another description of it published—quite a lengthy one—in one of the New York papers some time ago. The American will use the Stein interview for thirty dollars, October 17th. I will send you a copy. I received the duplicate article and made the corrections.

The Stein article is the one on Japan, that I referred to in my testimony.

On October 2, 1915, Mr. Wildman wrote to Mr. Edward Lyell Fox, Hotel Adlon, Berlin, Germany, in part, as follows:

The pamphlet regarding the Indo-Turko troops was received and turned over to the "New York American." This pamphlet reached the city from other sources and notices have already been made of it in the Sun and Times. Someone else must have had copies. Mr. Merrill said it related to old happenings, and while useful from the point of an editorial on the horrors of war it was not in any sense such a story as the East Prussian stuff. He, therefore, would only pay \$100 for this story, which, in view of the fact that other papers have received it, it seems to me the best that can be done on it, particularly as he will only use part of it Sunday.

I shall give the Ludwig Stein interview immediate attention.

Then the other is totally immaterial.

As I pointed out in my testimony in the New York American of April 18, 1915, there was published an article entitled "Hands and feet of boys cut off by the Cossacks, says Edward Lyell Fox." I have here the original manuscript of Mr. Edward Lyell Fox of that story, which has the stamp of the German Government. "Admitted for publication, Acting General Staff, Division 3-B," the word "Acting" being literally translated, but an idiom, meaning "representing the German general staff," as I am informed by the translator.

Senator KING. What is the German word?

Capt. LESTER. The German word is "stellvertreutender". Now, this article, Mr. Merrill states, was syndicated; that it, it was not

published by them; but this is the same article referred to in the previous letter. This article was published in the New York American on the date mentioned, with this under the name of the author: "Copyright, 1915, by the New York American." The manuscript has some pages missing, but every page is stamped.

Now, that article was written by Mr. Fox and a Mr. Cory, in the first instance. An original telegram, signed by Cory and Fox, or a message delivered to Maj. Hervwarth, or sent to Maj. Hervwarth, signed by Cory and Fox, for transmission, was written on the Eastern front, or somewhere in East Prussia, and signed "Cory and Fox." Mr. Fox stated that when it came to the publishing of the article Cory would not stand for it, so his name was eliminated, and he, Fox, took the responsibility of writing the article, and you will note in the manuscript that where the pronoun "we" is used that has been stricken out, and Mr. Fox in his own handwriting has substituted "I". He has made the corrections throughout.

Senator STERLING. Now, whence that information, Capt. Lester, that Cory would not stand for it?

Capt. LESTER. That is from Mr. Fox's statement to me. I do not know whether that is in one of the 10 or 12 confessions he made, but he made three confessions in question-and-answer form, and, I think, nine in his own handwriting, covering a multitude of his work in Germany, various phases of it; the Casement case, which was going to be featured over there, which never came off, and his connection with the British in 1916—that I testified to—which is much more elaborate than I stated there, and covering other topics.

Senator KING. Were his confessions contradictory?

Capt. LESTER. Every one of them. There are no two alike. He swore to three of them, swore to their truthfulness before a notary public, which afterwards, when these documents were obtained, he retracted; and that was one of the grounds upon which it was recommended to the War Department for action; but he pleaded that his memory was defective and that he was under a severe strain; and after these documents had been recovered, his memory was refreshed. In the first statement and two others he stated that everything he had had been destroyed. In fact, that was his claim throughout.

Senator KING. This document to which you have just called attention—the manuscript of the Cossack article—that was written on the eastern front, as I understand you?

Capt. LESTER. That was written near east Prussia.

Senator KING. That is, he claims that?

Capt. LESTER. Yes. That was written somewhere on the German east front, but not in the place where the article itself says it was.

Senator KING. Was this manuscript sent overseas?

Capt. LESTER. No; he brought it with him. It was sent over by messenger. Either that or by wireless.

Senator OVERMAN. Is that an article which was written from imagination and not from the truth?

Capt. LESTER. That was purely imaginary.

Senator KING. And that is already in the record?

Capt. LESTER. Yes; and that is the one that was copyrighted by the New York American.

Now, on the subject of Mr. Marshall Kelly, that seemed to stir up Mr. Merrill to such an extent: The information as to Marshall Kelley's

connection with the German agents in the Fuehr bureau, which I stated in my testimony, was information that Marshall Kelly was sent to attempt to purchase the Baltimore Sun. I stated that he was sent by these men in the German bureau to attempt to purchase the Baltimore Sun. I made no statement that he was sent by Mr. Hearst or anybody connected with him, for that is not the evidence. The evidence is in the form of a statement by one of the German aliens who came to assist Dr. Fuehr, which is on file, that Marshall Kelly was sent by that bureau to attempt to purchase the Baltimore Sun, but nothing came of it.

Senator KING. You have no statement from Kelly?

Capt. LESTER. I have no statement from Kelly on that point.

Senator KING. Your information as to his activities in purchasing or attempting to purchase a newspaper comes from some agent?

Capt. LESTER. A confession of one of the coworkers of Dr. Fuehr and Dr. Albert, who was there during the whole time that the Fuehr bureau was in operation. The statement that Mr. Marshall Kelly was attached to the Chicago Examiner comes from another source, but that is confirmed by a statement of the Milwaukee Journal in a letter of December 14, 1918, which was handed in here this afternoon, in which some one connected with the Milwaukee Journal, which was a Brisbane paper, states that Mr. Kelly was with the Hearst people in Chicago on the Herald-Examiner from February until June of this year.

I stated that there was information that Mr. Kelly had been attached to the Milwaukee Journal, the Brisbane paper. That information came from a report made by a man who was giving information to the department; and the Milwaukee Journal representatives say that Marshall Kelly never was attached to their paper and ask that this letter be placed in the record. I do not mean the Brisbane paper; I mean the Milwaukee Journal, which is the Campbell paper.

Senator OVERMAN. Does Merrill deny that he was ever connected with—

Capt. LESTER. He does not deny it, but he does not affirm it. He says that the information was from the representatives—I think the manager.

The fact is, as reported, that Marshall Kelly was attached to the Chicago Herald-Examiner.

Mr. Merrill states:

As to Marshall Kelly, no one in the Hearst organization, so far as I have been able to ascertain by inquiry, ever heard of Marshall Kelly until Capt. Lester's testimony mentioned him as a Hearst employee who had tried to buy the Baltimore Sun. No representative of the Hearst organization was ever sent to Baltimore to try to buy the Sun.

Nobody ever claimed there was.

The editor in charge of the Chicago Herald-Examiner, Mr. Howry, wires me that he never heard of Marshall Kelly until he read Capt. Lester's testimony.

Senator KING. Did you make any contention that Mr. Kelly represented the Germans or Mr. Hearst in attempting to purchase the Baltimore paper?

Capt. LESTER. I have stated that I never had heard of Marshall Kelly or that such a person existed until this came up, and the man

who made the report was questioned as to Marshall Kelly's activities, and he stated that the Albert-Fuehr Bureau had sent Kelly to Baltimore to purchase the Baltimore Sun, but nothing had come of it.

Senator WOLCOTT. You never made the statement that Marshall Kelly, connected with the Hearst papers, tried to make this purchase?

Capt. LESTER. That is not in the evidence. I did not know anything that would justify my making any such statement. This was purely a transaction as between the Albert-Fuehr Bureau and Marshall Kelly.

Senator KING. Then you disclaim any purpose to connect Mr. Kelly with any attempt to purchase this paper, or if he did, any attempt to connect him with a Hearst publication?

Capt. LESTER. There is no evidence of that.

Senator OVERMAN. You went on to say that Marshall Kelly had been connected with the Hearst papers.

Senator KING. And the fact upon which you base your statement that Marshall Kelly had attempted to purchase the Baltimore Sun, is this report which is made up by some unknown person?

Capt. LESTER. A man who was a part of the German press bureau, and he gave the information about the money.

Senator KING. Then, your testimony is based upon that report?

Capt. LESTER. On that statement of his solely, as to Marshall Kelly, in that particular.

Senator KING. You have not corroborated it by any conference with the owners or representatives of the Baltimore Sun to see whether anyone attempted—Marshall Kelly or anyone else—to purchase that paper?

Capt. LESTER. No; I have not, personally.

Senator KING. So you have nothing other than that statement of the transaction?

Capt. LESTER. No; I have nothing other than that statement.

Senator KING. If the statement is untrue, there is nothing to support the contention.

Capt. LESTER. There is something to support the contention, for this reason, that Marshall Kelly was connected up with Ritter & Co., of Boston, who were the distributors of German literature during the war period, from 1914 up to the time we entered into the war—the United States entered into the war. I have in my possession six or seven letters of Marshall Kelly to Ritter & Co., in which Marshall Kelly attempts to sell Ritter & Co. a book which he wrote called "Carlyle in the War," and Ritter & Co. and Marshall Kelly have been in correspondence, and Ritter has been interned as a result of his activities since the war. We have been following Marshall Kelly from that time on, and every report that came on Marshall Kelly was checked up. He was checked up in Chicago; he was checked up in Milwaukee; also as being in Milwaukee attached to the Milwaukee Wisconsin.

Senator NELSON. The Evening Wisconsin?

Capt. LESTER. Yes, sir. These arguments are on the record. This letter states that Marshall Kelly was not connected with the Wisconsin and they wanted the statement to go into the record, so I have no objection to putting it in. Marshall Kelly is now living in New

York. We have his address. I discussed Marshall Kelly with Mr. Becker when he was here last week, and Mr. Becker said no doubt some information might be obtained from Marshall Kelly. He is a person in being, in other words, and is located and known to the investigators.

Here is a letter addressed to the chairman Senate committee for the investigation of German propaganda in the United States. His address is 497 Manhattan Avenue, New York City. His letter is dated December 15, 1918, and he says:

My attention has been called to a notice in the "N. Y. Times" of Dec. 14th, wherein Captain Lester is reported to have made certain statements concerning me, whilst giving evidence before you.

According to this report, Captain Lester said that I am a Scotchman. This is correct. Otherwise, there is not one word of truth in the statement referred to as reported in the N. Y. Times of Dec. 14th, which is the only report I have seen. A perfectly wild and baseless statement.

Yours respectfully,

(Signed) MARSHALL KELLY,
Author of "*Carlyle and the War*."

I have Marshall Kelly's letter addressed to Ritter & Co. in his own handwriting, in which Marshall Kelly states "I am a Scotchman." I will not attempt to quote it, because I have it right here. This letter is written by Marshall Kelly to Theodore S. Ritter on February 17, 1917. He discusses certain books, including submarine warfare, etc., and offers his book, "*Carlyle in the War*," and states: "I am a Scotchman, completely assured that Germany has the right in this war." That was the statement read into the record.

Now, in reference to Mr. Merrill's letter, concerning the Deutschland Publishing Co. Mr. Merrill obviously has misconceived what was said, because he devotes several pages to the discussion of the Deutschland Co. It was the company which was inaugurated by Paul Helman, of Baltimore, that brought over the undersea *Deutschland* with her cargo that landed at Baltimore. The reference made to the Deutschland Publishing Co. was in regard to the publishing of a book written by Capt. Paul Koenig that had been sent over. That came out in Dr. Hale's telegrams to the Hearst American. Mr. Merrill makes the statement that this book was brought over here by the New York Herald and published by the New York World, and that the Hearst American bought the book and received it. That is a fact as far as the Hearst American buying the book and the New York World getting the first story as explained before, but the fact is that the manuscript of the Paul Koenig book was sent by wireless by Dr. Hale to the Hearst American; in part, I say, because it was stopped. The telegrams which I showed from the Navy Department covered some 10 or 15 chapters of it.

There is a reference to the International News Service. I think I correctly stated in my subsequent testimony, when I had the information from the British, that the International News Service was restored to its cable privileges in April of 1918.

In reference to the coming over of Bolo Pasha, Mr. Merrill makes a point of the fact of an inquiry from Bielaski as to whether Bertelli was the man who brought Bolo Pasha over here. He says:

"Senator King, of Utah, asked Bielaski if he was sure. At this point Capt. Lester interjected: 'Bertelli brought him over here. Our files will show that and will be introduced.'"

If this is in the record, I do not know it. The fact is that our files do show that Bertelli was brought over or came over with Bolo Pasha. Mr. Merrill goes on to say:

Charles F. Bertelli, a representative of the International News Service in Paris, having been ordered to come to New York for a conference, traveled to New York on the same steamer with Bolo, whom he knew as the proprietor of one of the most important Paris papers.

Mr. Becker will, I believe, give some information on that, Mr. Becker having all the information that we have of the Bolo Pasha matter, and much more which he obtained himself.

Senator KING. Have you any personal knowledge that Bertelli, or anybody else for that matter, brought Bolo Pasha here?

Capt. LESTER. Only from our records. I stated, Mr. Chairman, upon my appearance here as a witness, I would testify from the facts which were set forth in the records of the War Department and the Military Intelligence, and such information as I had had of a personal nature.

I have been particularly careful to adhere to that in every case, and the statement of Mr. Merrill contained in an article in the New York American following my testimony, is a complete distortion of the evidence and totally unwarranted.

Senator KING. Have you any competent evidence that Bertelli paid for his passage, or anything of that nature?

Capt. LESTER. No; I think I have no information about the Bolo Pasha case. In fact, I know nothing about the details of it. I never had the case come under my observation, except the summaries of the reports, which had been sent to the Military Intelligence, of the evidence principally obtained by Mr. Becker.

Senator KING. If it should be material—I do not see now that it is; it may or may not be, but if it should be material—to show that Bertelli was connected in any way with Pasha, or Pasha with Bertelli, have you any knowledge as to the relation between them, whether one paid the fare of the other, or one induced the other to come, or anything of that nature?

Capt. LESTER. No, sir; I have not. I have no information, and there is none that I know of in our records.

Senator KING. And those records to which you refer, and about which you made the statement that Bertelli brought Pasha over here, do they indicate the relations between Bertelli and Pasha; whether Bertelli paid for Pasha's fare or Pasha paid for Bertelli's, or anything of that nature?

Capt. LESTER. No, sir; nothing of that kind.

Maj. HUMES. Senator, the one that knows more about that than anybody else in this country is Mr. Becker, and he will be here on Thursday and he can give any information available on that subject.

Senator KING. The only point I want to get at is the character of the captain's testimony, and as to whether or not he means to convey the idea, from his knowledge or from any data that he has, that Pasha paid for Bertelli or Bertelli paid for Pasha, or whether they

were connected together in any way in any joint venture which brought them to this country.

Capt. LESTER. No, sir. I have discussed the Bolo Pasha matter with different people from time to time, and when Mr. Bielaski was testifying about Bolo Pasha he seemed to hesitate as to the name of the man he came with.

Senator KING. As I recall Mr. Bielaski's testimony, he stated that Bertelli brought Pasha to this country.

Capt. LESTER. That was my recollection of his testimony; and just at that particular time he was hesitating as to who brought him over, having testified before that he did. I think there was some evidence of it.

Senator KING. Do you know whether Mr. Bielaski had any information which warranted the statement that he made, that Bertelli brought Pasha over?

Capt. LESTER. Oh, I think I could not answer that, I am sure.

Senator KING. You know of none, at any rate, yourself.

Capt. LESTER. The evidence is being gotten in the Bolo Pasha case by Mr. Becker at the request of the French Government, and with the knowledge of the attorney general of the State of New York, and I believe that the Department of Justice undertook the investigation through the banking connections, and developed the Bolo Pasha case, and after a month of investigation finally brought the connection together. He filled the case up, and he has there all of the original documents, or authenticated copies, and all of the information. He told Maj. Humes and myself that if the committee insisted he could give the whole testimony.

Senator KING. The point I had in my mind was this: Pasha came here, and I remember at the time the fact that he dealt with reputable banks, and either then or later I remember reading of some banquet being given at which some very excellent people were present. Now, in view of the subsequent trial of Pasha for treason in France, and his end, it is quite clear that the fact of his association with people here might be the basis of some unjust suspicions being aroused against banks with which he dealt, or persons with whom he associated, and we ought, so far as we can, to prevent leaving an impression by any testimony that is given that might subject any person here to unfair criticism by reason of their having known him or associated with him. That is the reason I was trying to get at the basis of the statement that Bertelli brought him here.

Capt. LESTER. But Bolo Pasha was a prominent newspaper man in Paris. Bertelli was a representative of the Hearst International News Service there, and accompanied Bolo Pasha to this country, and it is a well-known fact, which Mr. Hearst does not deny—in fact, it is stated in Mr. Merrill's letter—that Mr. Hearst met Bolo Pasha socially on one or two occasions, as many other people did.

Senator KING. I did not have any particular person in mind. I had in mind more particularly the banks, and the Canadian banks.

Capt. LESTER. Large credits were established here, presumably for the purpose of buying papers in France. It afterwards turned out that that was not the fact; that is, it was not the purpose.

Senator KING. At any rate, when Pasha came, there was nothing so far as you know that would indicate to the person with whom he came in casual contact that he was here for any sinister purpose.

Capt. LESTER. Nothing at all. On the contrary, as it is already in the record, he had dinner with Judge Gary and his wife and other people of social prominence, and they should not be under the slightest suspicion of any sinister motive.

Senator KING. Then you did not mean to convey the idea that there was anything improper in Bertelli's coming over with him on the trip?

Capt. LESTER. Not the slightest intimation of that kind.

There is one thing in Mr. Merrill's letter which indicates that he has misapprehended the testimony. He states, on page 4:

Captain Lester testifies that Dr. Hale had the exclusive use of the German wireless privilege.

I gave no such testimony, nor any testimony that could be construed in that way. On the contrary, I stated that so far as the German wireless service was concerned, they had the use of that service. The German wireless service was open to anybody. They got a lot of messages of the Continental Times Co., and Fox made use of it, sending messages by way of Sayville to Germany as long as it was in operation. It was used by well-known houses in connection with German houses, and other newspapers were using the Sayville service also.

Senator KING. Other papers were making the same use of it that Mr. Hearst was?

Capt. LESTER. No question about it.

Senator NELSON. But the Sayville service was cut off by the Government, and the German wireless service had another station in this country.

Capt. LESTER. Tuckerton, N. J., and that was used by the International Service and public service, anybody, to send wireless messages.

Senator NELSON. Tuckerton, too, the same as Sayville?

Capt. LESTER. Yes, sir. Then Tuckerton was closed down, very shortly after we got into the war, or shortly before.

Senator KING. This is not quite germane, but is there anything to indicate that wireless communication was made with or through Mexico—I mean between Germany and Mexico?

Capt. LESTER. There is evidence in hand in the Navy Department showing a communication by the wireless station at Chapultepec. I have seen messages that passed between Germany and the embassy complaining of the interruption of service.

Senator KING. You mean at Mexico?

Capt. LESTER. From the German Embassy in Washington, complaining of the interruption of service between Germany and Chapultepec, or the expectation of remedying the sending difficulties, and the resumption.

Senator KING. Do you know whether that station at Chapultepec was controlled by the Germans?

Capt. LESTER. I do not; no, sir. That information, however, covering all the German radio service, is in the possession of Mr. Becker, and we have asked him to bring along such data as he has that might be of interest to the committee and of value to this investigation.

Maj. HUMES. The following is a complete copy of the letter from George Sylvester Viereck to Dr. Albert, dated April 1, 1915, from which I have heretofore read into the record the first two paragraphs:

[The International. Established 1908. A magazine of life and letters. 715 Broadway Commercial Building, New York City. Published by The International Monthly Publishers: "The Fatherland." Edited by George Sylvester Viereck. Telephone 1792 Spring. Cable address: Viereck, New York.]

APRIL 1, 1915.

MY DEAR DR. ALBERT: I have arranged with Mrs. Untermeyer that her automobile will call at your house Sunday at half past five. It takes but one hour to go to Greystone.

Dr. Hale will not be with us, which is perhaps better. I think Untermeyer will speak more frankly in our presence. It moreover gives us an opportunity to talk things over a bit. I do not like the way things have been going on of late.

I take pleasure in enclosing a proof of the cover of The International.

Most of the editorials and the article entitled "The real American attitude in Germany and England" was written by Alexander Harvey—"The lesson of one hundred years ago" is by Dr. Hale. He will sign his name to future articles, but for certain special reasons, he deemed it better not to sign this particular one.

The same number contains also an article which I had translated for The International, by Huston Stewart Chamberlain, and it contains moreover an article on Bismark by Professor Herbert Sanborn, of the Vanderbilt University. The only German name among the contributors is that of Professor Rudolf Spatz. The article was submitted to us by A. A.

I shall print one article of that nature by a prominent German every month. We will thus be able to dispose of a good many important articles sent to us from this source, which cannot get into print otherwise.

I shall publish several articles by Huston Stewart Chamberlain and perhaps publish them in book form.

If you glance at the list of contributors you will see hardly any German names. You will find Arthur Symons' poems, an English poet; you will find an Italian—and you will even find an article by Cecil Chesterton.

I have made an arrangement with Professor Shepherd for a signed article on "neutrality" for next month. I have also made arrangements for articles on the subject of "Canada as a menace to the United States" by Mr. Bonham, well known American journalist and financial writer.

In the future we can always discuss in advance just what special articles will be advisable to print. This and other matters we can discuss on Sunday.

I regret that I see so little of you and both Miss Hein and myself regret that we have not had the pleasure of meeting Mrs. Albert a second time.

Believe me,

Sincerely,

(Signed) GEORGE SYLVESTER VIERECK.

Capt. LESTER. I submit for the record copies of letters found by the British among the personal belongings of Maj. von Papen, former German military attaché in Washington.

Maj. von Papen was acting as a member of Liman von Sanders' staff during the Palestine campaign, and together with the rest of the staff had to leave Nazareth two hours in advance of the British cavalry. The entire personal effects of von Papen came into the possession of the British intelligence, and the attached letters, dealing with American affairs, were obtained from the British war office and are presented to the committee by the Military Intelligence Division United States Army.

(The letters referred to are here printed in full in the record, as follows:)

112 WEST FIFTY-NINTH STREET, NEW YORK.

23rd March, 1916.

MY DEAR CAPTAIN: I have long wished to write to you to thank you for a friendly card, which you sent me, together with Fraulein Mad——— L——— from Rotterdam.

She is a very charming lady with whom I would gladly become better acquainted here, but in these days I have neither inclination nor time to "dedicate" myself, and value indisposition in order to limit this intercourse. Meanwhile I heard through I [evidently Von Igel] that you have gone to the infantry and command a battalion,

May the good God protect you!

Thank God, everything seems to go in accordance with our wishes, thanks to our wonderfully brave people. The sentiment against us here remains unchanged; quite recently we had the pleasure and satisfaction (of seeing) that our big bazaar was a blazing success and in 12 days, produced from \$700,000 to \$750,000 for us and our allies.

The Mexican situation is getting more involved. It looks today as if Carranza's troops were going to desert to Villa, and that the country is drifting into a war with the United States. All comments are superfluous. It was thoroughly calamitous that all your papers were taken off you in England, and through your cheque book notices we quite innocently got into a most unpleasant situation, which we fortunately could clear up promptly and easily.

But the English and American newspapers, which brought full details, went all over the globe, and many cabals and explanations were necessary in our large and far-stretching English relations in order to calm our business friends.

We have not as yet quite overcome the consequences, yet I hope that no serious consequences will make themselves manifest.

This was a (?) for our competitors, but in the end it did not avail them much, for our English bank friends behaved themselves capitally and helped and protected us in every way.

And now, good-bye, my dear friend; how pleasant it would be if I could shake you by the hand in the year of 1916!

With best wishes from

ADOLF PAVENSTEDT.

Letter dated 30.5.17 from Ewald Hecker, implicated in the American outrages, to von Papen.

BERLIN, 30, 5, 17.

DEAR PAPEN: A few days ago I landed here again safely, travelling under a sauf conduit of the enemy Government, and do myself the honour of sending you personally my greetings and just as hearty ones from Ad. Pavenstedt and Carl Heynon.

At the same time, I wanted to ask you if you could not do with an Intelligence Officer or something similar in your division, for I fear that as a retired Cavalry Captain I shall be mercilessly posted to a column or some such thing.

That would be a pity after 14 years on active list with the 13th Dragoons and two years at the Staff College; perhaps you can give me a bit of good advice. You will be interested to know that shortly before my departure at the beginning of May, Franz Rintelen arrived in New York in strict custody and in chains, and together with his "Labour's Peace" Society, Buchanan, etc., was tried.

I smuggled a letter through Halifax for him to his wife, Carl Heynen visited him personally and saw him. After outbreak of war, people over there, generally speaking, were quite decent to us.

As a matter of fact, only the ship's crews and people connected with the legal proceedings were interned. Bunz was left quite uninterfered with.

To the universal delight only a couple of secret and important (?) were arrested, viz: Bertling, Fontheim, etc. Later on they were interned on Ellis Island because of their dodges.

[Translation.]

Document: Letter to Capt. V. Papen.

Date: 11, 1, 17.

Captured:

BERLIN W 66, 11, 1, 17.

MINISTRY OF WAR.

DEAR PAPEN: With reference to your letter of 22, 10, 16, you will be interested to hear that I have today received the news that in conformity with your proposal, your "friend" Schimmel, alias Weissner, has been admitted into Germany. He has been in the meantime taken into military service at Bielitz-Biels (Galicia). It appears from the newspapers that he came to

1928 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

Amsterdam on a Dutch vessel as a paid seaman, having passed through Lima and Buenos Aires.

With best respects,

(sgd.) EUG. SCHURBEIN (?).

It is possible that I may go to the front for a period of from 6 to 8 weeks on duty. Will you assist me to obtain a position in one of the Brigades of your Division, doing duty for some absent officer. The period in question will probably be in April or May, as I shall have to live in Holland in January in connection with the conclusion of an agreement.

(initialed) _____

[Translation.]

Document: Copy of Captured Letter

Date: Nov. 1916, New York.

Captured:

NEW YORK, Nov. 16th.

Your name has already been mentioned several times because your friend Igel, after a number of official papers had been taken from him by force, has been working in my offices, which also afford asylum to the remainder of the staff of the office of our former Naval Attache, the Consulate General having dismissed these gentlemen to avoid the risk of being compromised. You would be astonished at all that is crowded into my small office. Igel assists me in my commercial affairs; he is a thoroughly sympathetic, quiet and capable assistant. How slight is the attention we pay to the alleged fact of his having been compromised—which to one acquainted with the local conditions does not appear bad and has in the meantime been almost forgotten—is shown by the fact that I have not hesitated to take a step further and grant power of attorney to him and my other two assistants. I have been compelled to do so, as I had occasion to learn several times how unjustly he was being judged in Germany. My official relations with No. 11 Broadway are, as before, quite correct.

My work has not decreased, but has, if anything, increased. It includes a number of financial operations and the preparation of plans for loans; though nothing, on account of the ever recurring unrest due to the submarine warfare has ever come of them. It includes a number of important economic questions such as the combatting of the measures adopted by the English against our trade (Black List), the study of the control of such raw materials as copper, wool, rubber, etc., by the English, and finally, the drafting of proposals with regard to dealing with imports and raising the rate of exchange after the war. I have been quite taken away from propaganda work, but have nevertheless been able to render energetic assistance to Fuehr's Bureau by obtaining for that institution material relating to economic matters. This is all the more important as a statement dealing with the economic and financial conditions of Germany has become ever more important. In this connection, there has been found a brilliant voluntary helper in the person of Professor Bonn. I regret to be obliged to say that the organization of the German representation in the United States is far from being equal to deal with the questions to which I have referred—these questions which are so important, and which are continually arising afresh. We suffer from thoughtlessness, which offers a sharp contrast to our supposed efficiency. They appear in Berlin not to understand—or not to wish to understand—that the regulations of the representation of German interests based on the conditions obtaining in peace time, and the formal separation of ambassadorial from consular business, have proved quite inadequate for the present times. The English recognized the need of the centralized organization to deal with the question of wartime economics very shortly after the outbreak of war. In view of the new conditions and altered circumstances, they assigned to their ambassador a special advisor, Sir Richard Crawford, and placed under him a Staff of experienced officials. Sir Richard Crawford deals with all questions of wartime economics; he attends to the carrying out of all measures adopted by England in order to control neutral trade and suppress German influence and German trade relations. The watching of American ports, which, as is well known is so close that no ship or cargo can leave any of them without thorough inspection and the permission of the English, is attended to by him. He controls the English financial operations; he sees to the effectiveness of the Black List and of the steps taken against Germany. He accomplishes all this from a central office, namely, the English Embassy, and all the Consular services are subordinate to him and under obligations to render him assistance.

Unfortunately, there is no similar organization on the German side. On the contrary, the German organization has retained the separation of ambassadorial from consular business, although the advisability of this arrangement sometimes laid itself open to criticism even before the war. The consequences of this two-fold limitation of competency has been that the Embassy and the Consulate General have worked from different starting points in political and economic matters. This has led to complete checking of the work of the Consulate General, and has rendered impossible energetic and systematic action on a large scale. Success has not even been attained in matters in which expert participation was desirable, in consequence of want of clear co-operation and close touch due to the system of organization.

In my opinion serious disadvantages have been caused through lack of proper organisation. Our policy of hindering the export of materials required by America, such as potash and dye-stuffs, would have been conducted into a proper channel by an intelligent organisation. The measures adopted by the English could in my opinion, have been successfully combatted in part (Neutral tonnage—counter operations on the Products Exchanges—Ensuring of the supply of raw materials through contracts). A fresh organisation of the German loan in the United States, by means of which this could be considerably increased, has so far failed to be realised owing to the Division of German representation and the absence of centralisation. In this matter, as well as in a number of others, more useful work may still be done. But I have given up hoping that the A. A. (Auswärtiges Amt—Foreign Office) will decide to abandon the old method. They cannot, though it is depressing to have to say so, get over their ill-will against me, whom they regard as an intruder from the home service. These facts render impossible a clear statement of Germany's economic and financial position and an influencing of American Government officials by means of personal conversations and expert argumentations with regard to economic questions. It stands to reason, however, that I am exerting myself to the best of my ability, notwithstanding the defects of our organisation. Things would, however, be done in a simpler and more efficient manner, if it were left exclusively to the Embassy to deal with questions of wartime economics and the consular service were subordinated to the Embassy in strict centralisation.

But I shall not worry you with such matters as these. I have only brought to your notice what I have brought because I am aware that you have much knowledge of and interest in questions of organisation.

The point of greatest interest is, of course, the result of the Presidential Elections. Although on the evening of the 7th November it was considered that the victory of the Republican Party was certain, and the assumed success of that party was, in fact, celebrated, a final counting of the votes showed that Wilson was again elected. What effect this will have on future developments cannot be perceived at present. It is certain that Wilson will have a position of much greater independence and will feel himself possessed of greater power, as he will be freed from the consideration of another appeal to the country. It must be doubted, however, in view of past events, that he is the man to cope with the serious situation. It is to be feared that he will not free himself from impulses and half measures, and that on this account his lack of sympathy with Germany and his inclinations towards the Allies will prevent his adoption of a truly neutral attitude. It is also to be feared that matters have developed not only in Anglo-American, but also in German-American circles, too greatly, and during a too long interval of time, in a direction unfavourable for us. It is consequently to be feared that an alteration in the state of affairs is no longer possible. Some even fear that Wilson, who is regarded as revengeful, will pay back Germany by renewed strict measures for the intervention of many German-American circles on behalf of Hughes and for the alleged influencing by Germany of the German-Americans—although, as a matter of fact, this was not done.

A revival of the former measures is, therefore, expected, as well as strict investigation with regard to the conveyance of contraband goods, and a sterner attitude in the submarine question. For my own part, I consider these fears as exaggerated, although it can not be denied that there is a certain justification for them. I do not give up hope that Wilson, whose greatest ambition it is to have brought about peace, will decide to continue his efforts. This would, in my opinion, outweigh everything else. From this point I can not perceive how Europe can obtain peace without the intervention of the most important neutral power. Moreover, Wilson has committed himself to a certain extent to this policy. I sincerely hope that on the German side, submarine warfare

will be restrained within the limits conceded to it. Not only would a passing of these limits destroy confidence in our reliability and the value of our assurances for an indefinite period, but I also think it would seriously prejudice German-American interests. A loss of life, not to be justified according to the standards obtaining here, would, in my judgment, lead to a breach of diplomatic relations and a further loss of life would bring the United States into the war on the side of the Allies. I have written to MEYER-Gerhard, giving my views in full with regard to the effects of an open and formal participation by America in the war on the side of the Allies. If you have the time to spare, have this memorandum sent you; but I can well believe that you are too greatly occupied with your own duties to occupy yourself with such matters as these.

(Sgd) ALBERT.

[Translation.]

CENTRAL PURCHASE COMPANY LIMITED MANAGEMENT.

Berlin W. 8. 3 October 1917. Behrenstrasse 21.

Office Number Ae. 382117.

Subject: United States of America.

During his stay in the United States, Herr Geheime Oberregierungsrat Albert Vortragender Rat of the Imperial Ministry of the Interior, conducted a number of money transactions for various German firms, through his current account with our company. It appears from his statement of account of 1st-31st, 1916, that the following payments were effected on behalf of the Ministry of War:

To Captain von Papen	amer	\$121,117.94
" " " "	"	159,049.48
For the Ministry of War	"	37,907.96
		<hr/> \$318,075.40

These payments we have been informed, were effected on the demand of the demand of the then representative of the Ministry of War in the United States.

Against these payments the following sums received should be set:

Sep. 1916. Payment to us by the Foreign Office	\$140,000.00
Mar. 1916. Payment by the Artillery Depot for one cannon	7,834.00
Incidental expenses	12.32
	<hr/> 147,846.32

There appears from this to be a debt due to us from the Ministry of War of some \$170,000; for which however an interest account has not yet been provided.

The purposes for which the payments were demanded and the dates on which they were effected are not known to us; Privy Councillor Albert has already undertaken, however, to give explanations to the Ministry of War in so far as such are possible in default of documentary evidence.

We venture most respectfully to request the Royal Prussian Ministry of War to enlighten us on the situation and likewise to furnish acknowledgement of the debt. We are of opinion that the settlement will have to be delayed until the end of the war with the further interest accounts, that payment should be made of the approximate equivalent in marks.

THE CENTRAL PURCHASING COMPANY LIMITED
(2 Signatures.)

To the Royal Prussian Ministry of War Berlin W. 66.

MINISTRY OF WAR, CENTRAL DEPARTMENT, Berlin W. 66, Oct. 24, 1917.
No. 370/10 17 Z 1 Leipzig Strasse 5.

Copy forwarded with request for your remarks.

Any documents or other vouchers for the payments made should be forwarded.

A similar request has been addressed to Geheime Oberregierungsrat Albert of the Imperial Ministry of the Interior.

(sgd) J. A. WITTENSTEIN

TO: MAJOR VON PAPEN,
Royal General Staff, H. Q.

(Army Group F.)

[Copy.]

BERLIN, 20, 1, 17.

DEAR PAPEN: You will already have read in the papers the essay "General Ravenshaw's blue letter" and rejoiced at our revenge on English want of tact.

As your faithful companion in misfortune and fellow-fighter, it was a particular pleasure to me to have brought about this matter myself. My tactics, which I labour unceasingly to impart, not only to the Press but also the Wilhelmstrasse, are an eye for an eye, a tooth for a tooth, when it is not possible, which is better still, to set our raiding. I am convinced that the English will be more cautious as to the publication of stolen letters, after this occurrence. With repeated best wishes,

Always yours,

(sgd) Boy-Ed.

[Translation.]

Document: To: Capt. v. Papen, 4th Garde-Infanterie-Division, Garde-Reserve-Korps.

From: Boy-Ed.

Date: Berlin, 3rd March, 1917.

Captured in the Field.

DEAR PAPEN: The enclosed letter from His Excellency von Igel, Schwerin, is for your private information. When you have read it, it would perhaps be as well to immediately destroy it in the interests of safety. It is characteristic how the tendency of Hossenfelder can at once be read in the clearest way from Frau von Igel's letter.

Perhaps the simplest solution of the whole thing would be, if we six, each in his turn, took in hand in some quiet corner of the Grunewalds, the friends of Mr. H., who are gathered in the Homeland.

Considering the by no means inconsiderable target, which this pothouse broadened figure offers, it should not be difficult for me, with the aid of the shooting-art, which was not gained in the Somme battles, to hit the least noble part of my adversary.

With best wishes,

Yours always,

Boy-Ed.

[Translation.]

1. Besides these three chief advisers of the Ambassador the attaches Naval Captain Boy-Ed and Captain von Papen also had influence on the political attitude of the Ambassador. Boy-Ed may be a capable Naval Officer and is at all events an unobjectionable character. In any case he is a born pessimist, who always lets his head hang down. He was always seeing spectres, and directly an unfavourable report came in he would run round with a face full of care, and had sleepless nights. He considered the odds against us as too great, and suffered much under the dreadful attitude of this country. It came to that, that he got engaged to a lady of a conservative American family. Conservative means pro-Allies, and so the pessimistic horn got blown from this side too. He also did silly things that are incomprehensible. He let himself into it from a worthless fellow Stahl, in that he presented evidence to the German Government, in which the man swore that the Lusitania was armed. The evidence was used in the German-American exchange of notes, and as England energetically contested the arming, and they went for Stahl here, he fell right in it and it turned out that it all hung upon the pure imagination of the seemingly hysterical Stahl. Then Herr Boy-Ed made a fresh mistake when he addressed a communication to the American people before his departure, in which he affirmed that he was being sent home guiltless, that was already in itself improper and must have offended the Government in Washington. Then, however, he enters on a boundless lack of circumspection, attacking in this communication the American Press in general, and the celebrated Providence Journal in particular, and expressing his opinion that the existing press conditions need to be improved, and that a law is necessary to prohibit the Press from calumniating people without foundation and dragging them in the mud.

I have never understood how a German officer could so lower himself as to honour this dirty company with a word.

As could have been seen the paper on the following day fell all over him and sent him a series of vulgarities on board by wireless. Others called him a liar, and such are the parting words which have hung on in the public mind, and not the words of his communication. Herr von Papen's career closes with quite a disaster. He was charged with being concerned in the many explosions in the munition factories, in so far as that he had given the money for the procuring of materials and instructed the people. It appears, too, that some really childish arrangements were made, which everyone capable of forming an opinion could have seen beforehand could not have the slightest use for us, whereas if the affair went askew, a great injury to us must result.

For example, the destruction of the Welland Canal, as well as the attempt to destroy a railway bridge in Canada. Even if both these had succeeded, there were a lot of other ways for transporting the corn to the seaports, and the bridge too could only have upset the traffic for a few hours. Both attempts ended in absolute fiasco, the people who were involved in the affair will meet with a heavy sentence, and one, by the name of Horn, had become a cripple, and will have to spend year locked up in prison. All that could have been forgiven, since failures in such things can not always be avoided, also much has been performed by Herr von Papen advantageous to us, if still the prime stupidity had not followed when Herr von Papen had to leave the country. One could have assumed that he would have previously destroyed the critical documents left here, or at any rate have safely disposed of them somewhere or other, so that they could not fall into the possession of outsiders. But Herr von P. left his bureau, with all these unfortunate documents, to his young and harmless secretary, Herr von Igel. He himself had obtained a pass through the English lines, in which it was expressly noted that only his person would be let through, and that he must not take with him either letters or anything else. Moreover, he had instructions from Count von B. to take nothing with him, and all his friends had warned him urgently "for God's sake, don't take any compromising papers with you." Yet as the English afterwards told him, this man-of-misfortunes had a whole archive with him. Above everything else, the rest of the cheque books, in which he had quite naively noted in plain language all receivers who had received money from him. He had besides a whole series of compromising private letters with him.

The excitement here was immense as these facts became known. About 50 respected firms and private individuals were implicated. The firms came straightway on to the Black List, and arrest and severe punishment threatened a number of men.

It came out that persons, who were already suspected here, had obtained money from Herr von P. and now they were at once arrested. Worse still was it, that these letters in connection with the Dumba and Albert letters between them opened the eyes of the Americans to what was going on, and called forth a storm of indignation. It was fully justified, since Herr von P. had also on his departure left behind an open communication in which he protested his innocence. Had these two publications not occurred, the Government would probably have shut both eyes, and let the whole matter slide, especially since the most of these crimes happened at the beginning of the war, and remained without results. After both men, however, had publicly declared that they were innocent and were unjustly banished, one could not expect anything else than that the Government should now show evidence that it had acted with perfect justness. A giant enquiry was instituted throughout the whole country * * *. The general conviction here was that the men would be brought before a Court Martial over there for gross neglect of duty.

All that we have heard is the bestowal of Orders to Herr Boy-Ed and Herr Papen, as well as the promotion of Herr von Igel to Vice-Sergt-Major. You can judge too how extraordinarily fit it is to publish these distinctions throughout the whole world * * *. Thereby all these things appear not to have detracted from the self-conceit of these men in the very slightest, on the contrary they hold themselves, as before, for geniuses. I learn through a good source which stands in direct connection with Washington how this self-sufficient manner damages. The officials here complain bitterly about the haughty demeanour of our people, who think by means of a stiff bearing to compensate for their lack of knowledge of the conditions of the place. Count von B. and Prince Councillor A. are looked upon in Washington in the light of emetics. The "Ton" of the Allied diplomats is constantly held up to my guarantor, who is good-hearted and affable, makes the gentleman always welcome.

After the publication of the Papen letter, in which Herr von P. spoke of the idiotic Yankees, the general feeling here was so uncomfortable that Herr von P. thought it well to disappear for some weeks. He went with Prince Hatzfeld to the West, and I met the gentleman at Mammoth Springs in the Yellowstone Park. I at once understood the object of their journey and avoided addressing them by name or title, in the supposition that they were travelling under assumed names. That, however, was a mistake, they had registered themselves with full title, their arrival was announced in all the papers, and on their further journey an army of reporters and photographers followed them. They were pestered at every step they took with the request to give an explanation about the "Idiotic Yankees." Their reply "we have nothing to say" was published with the photographs in all the papers. I met the Gentlemen later in Denver, where the business was at its maddest. The reporters from San Francisco instructed to do so, had sworn to compel Papen to an utterance, and followed the two gentlemen everywhere. Both held newspapers in front of their faces in order not to be snap-shotted, and a whole series of laughable photographs resulted, which circulated throughout the States. On the papers held up in front of them appeared printed in German "Wir haben nichts zu sagen" (We have nothing to say). A mad comedy at our expense! It is unpleasant to the writer to have to say all this. With the exception of Bernstorff and Dernburg, I know all the gentlemen personally, have lived in the German Club with most of them, and have always been nicely received by them. Herr Albert particularly helped me, and has been of the greatest service to me. For this the writer is grateful to the gentlemen, and it has cost him a great effort to write this account. However, patriotic duty stands finally above personal feelings, and I am ready to bear the consequences. The times are too grave to neglect duties towards the Fatherland for the sake of friendliness received. It was necessary to give you a picture of the acting personages, in order to put you in a position yourself to judge if these men possessed the ability rightly to discern the situation in the country. There are many people here capable of forming an opinion, who will answer this question with a frank "No." and who extremely regret that Germany was not better represented in the particularly important posts here.

One views the departure here of Herr Boy-Ed and von Papen with a dry and a wet eye. The dry one expressed joy, that they could now do no more mischief, the wet one expressed the grief we felt that now the two pessimists could, by word of mouth through representatives of the yielding policy, do perhaps still worse damage over there. The giving up of the U-boat campaign appears fully to confirm our fears. . . . The account is written in the interest of this group, and not in that of the German people, and must therefore be valued correspondingly.

COPY OF LETTER. ECONOMICS; U. BOAT WAR; RUMANIA.

BERLIN, 18th October, 1916.

MY DEAR PAPEN: It has weighed on my conscience for weeks to write to you. Twice already I have started a letter, but I was disturbed each time, so that the beginnings got too old, and I had to tear them up. I hope I shall be successful today.

First a business matter. As you will see from the attached, Carl Schimmel, alias Dr. Schimmel, has arrived in Rotterdam, and wants a pass to Germany. As far as I recollect he is a "Swine" but perhaps he would do less harm here in Germany than if we were to refuse him the pass. We could place him under police supervision here and not let him out. Please let me have in brief your opinion about it and send me back the attached papers.

As I heard from Lieut-Colonel Giessler, your Count Schweinitz was here yesterday. I also saw him come out of the Lieut-Colonel's house decked with many Orders. As Lieut-Col. Giessler informed me, he is again nominated A. P. K. Director, and it would please me if a capable man reached there.

On my last journey to the 6th Army Chief Command, I found myself in company with the American correspondent—I think his name is Mr. Hale, who wanted to look you up whatever happened, and I gave him your address. He apparently knew you over there.

I cannot conceive that, as you write, the Censorship here has struck out the remark "That you carried out your duties as a soldier bravely and honorably," on the contrary, I know that it was replied to the Naval Attache Moller in Buenos Aires on his report (this matter came to our knowledge) that you

had been at the Front since as Battalion Commander in the . . . Regiment and at present as General Staff Officer in the . . . Division. A. O. K. Staff has enquired of Ludendorff.

I have recently busied myself with the economic question. One certainly cannot make any alteration in our internal conditions. Therefore it only comes to this, that we must obtain goods from abroad as much and as long as possible. On this account I again regret that we did not take Rumania at the time, and so ensure the great Depot for ourselves. Now I am afraid a great part of the supplies will be destroyed. The position is unquestionably very serious for us, and the people will now, for the first time, perceive that we are really fighting for our existence. I have complete trust in our nation, taken as a whole, that they will endure hunger itself, even if elements are not lacking which will have a disturbing influence.

Love and patriotism just now work through the stomach. One sees this most plainly if one reads through the reports of the General Command for July. Until the middle of July a bad tone was reported everywhere, on account of the potato scarcity. Scarcely had the potato crop arrived when the weather improved and a good foodstuff harvest could be expected, and the tone generally improved.

I have stated my opinion as the result of an eventual U Boat war in the neutral Scandinavian countries and Holland, in the attached copy, which please return to me. This statement has gone officially to Ludendorff, and from him to the Admiralty Staff. I know that you do not entirely agree with this opinion. I also refrain from every opinion as to whether it is possible on the whole to employ this weapon more sharply—I have not the necessary data for this, only the Admiralty Staff and the Supreme Army Command can decide this. It is certainly the last means, but are we not already thus far?

If we take Rumania—and most cheering information is to hand from there—then I also think that Austria will pull through as such outside successes are of such account there. The chief thing is that you pull through there too, and make a break through impossible. From my last impressions, which I receive there with the 4th and 6th Chief Army Commands, I was quite sure of that.

My brother-in-law, Captain von Neergard, has been ordered to the Embassy at Copenhagen as Military and Naval Attache, where he had already previously worked for 2½ years. Through his connection with the Neergards and Rantzau there, he can be very useful to us.

We will provide sufficient ammunition, the new programme is simply enormous. Next week I am going to Holland, where I shall negotiate for a fixed consignment which will guarantee us a definite minimum quantity of foodstuffs and forage, in return for which we shall promise Holland a definite quantity of coal and iron. At the request of von Kuhlmann these negotiations are to be carried out, not by the commercial attache, but by me. His Excellency von Rosen was with me for a couple of hours today, and I spoke to him about it fully. There are further sessions today.

Now above all, my dear Papen, I wish that you may return home safe and sound.

With heartiest greetings,
Yours ever faithful,

(sgd) (?) DERNBURG.

M. S. note: Please destroy after reading.

P S. (?) Buhsche has let himself be duped by König.

(Thereupon the subcommittee adjourned until Thursday, December 19, 1918, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

THURSDAY, DECEMBER 19, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Wolcott, Nelson, and Sterling.

Senator OVERMAN. The committee will come to order.

I have received a letter from Mr. Samuel Untermyer, which he has asked me to have printed in this record with his testimony. I shall be glad to have you read it.

Maj. HUMES (reading):

[Guggenheimer, Untermyer & Marshall, 120 Broadway, New York. Cable address "Melpomene," New York.]

DEC. 18, 1918.

Hon. LEE S. OVERMAN, *Chairman,*

Sub-Committee of Senate Judiciary Committee,

Senate Office Bldg., Washington, D. C.

MY DEAR MR. CHAIRMAN: I had hoped that it would not be necessary to further intrude upon your Committee, whose patience and courtesy and that of Major Humes I greatly appreciate, notwithstanding such absurd statements in the newspapers as "Mr. Untermyer was 'severely' cross-examined" and "Throughout the day there were frequent clashes between the examiner and the witness," of all of which I was blissfully unaware. I felt that there was nothing beyond an honest attempt to get at facts which did not and still do not seem to me to be of the slightest legitimate importance or public interest.

I am sure your Committee realizes that the purpose of inquiring into the legitimate private business transactions of our citizens with the then accredited representatives of a friendly foreign power in 1914, 1915 and 1916 is very much of an enigma and is becoming more so as the investigation proceeds. The inquiries made of me were so foreign and far afield of any question of "propaganda," proper or improper, and as to transactions so free from any suggestion of impropriety or just criticism at that time that nothing beyond the mere fact that a Committee of the U. S. Senate thought it consistent with the dignity of that august body to spend its time in such an inquiry has thus far secured no public attention beyond the mere "flash-in-the-pan" that any sensation is likely to arouse with the unthinking who are unable to distinguish between hindsight and foresight.

I appreciate also that the Committee cannot be regarded as responsible for the misleading press reports of its proceedings. We must, however, allow for the fact that this inquiry, in its enlargement beyond the original proper and legitimate purpose, is being conducted mainly for the supposed information of the public and that when this information as to what is transpiring before you is summarized in a misleading fashion so as to work up a sensation, irreparable injury is done.

1936 BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

I find, for instance, in this morning's New York newspapers and in the résumés made by the correspondents of their understanding of my testimony, many distorted and misleading statements, against which I protest and which I ask to have corrected by the reading at your next meeting and the placing in your records of this letter and securing for it such publicity as your sense of justice and the integrity of your records require.

1. In the first column of the first page of one of our leading journals is this statement:

"He (referring to me) told of having himself been an investor in German Government bonds."

This you, of course, know to be untrue. Whilst thousands of our citizens were buying German bonds as well as British, French and other bonds when this country was neutral, the testimony showed that the trifling amount of \$1,900 of bonds, of which I spoke, were not bought for my account and that I at no time had a dollar of interest in them but, on the contrary, had advised against their purchase and that they are held by a gentleman whose name I had volunteered to and will disclose confidentially to you. In the hurry of departure I forgot to do so but will see you on my next visit to Washington on that point.

If I had thought well of the investment or had wanted to support the loan I would hardly have bought \$1900 of a \$10,000,000 bond issue that had been issued two years previously and was then selling at 40% discount. If our country had unfortunately gotten into war with Great Britain over any one or more of the many difficult problems that were outstanding between them, I am wondering how those bondholders would have felt about now being pilloried on that account.

The same article in the same prominent place says: That I refused to answer the question as to whether I had approached the Alien Property Custodian to buy The Evening Mail "if Mr. Palmer would agree to suppress the whole tale of pro-German propaganda." "Mr. Untermeyer refused to answer the question and read into the record a letter which mentioned an offer of \$200,000 with the suggestion that publicity as to future enemy ownership might vitiate the value of the property to Mr. Untermeyer's clients—the innocent 'bystander' bondholders,"

which is not true. I refused to answer no question however immaterial or improper. This question and others on the same subject I answered fully and categorically by voluntarily producing and reading in evidence my letter of July 9, 1918 to the Alien Property Custodian containing the following and a number of similar statements:

"If it shall hereafter transpire that in the purchase or control of the paper or in its operation any offense has been committed against the criminal law it goes without saying that neither you nor I nor any other decent citizen, concerned above all things for the safety and future of his country, will be willing to be parties to the compounding of a crime against our government."

2. In another newspaper it is stated that I "did remember that he (I) advised *legally* with Dr. Buenz when the latter was indicted for having helped coal German warships in the New York Harbor with fuel."

In point of fact I volunteered the entire information on this subject and testified, as you may recall, that Dr. Buenz was present with his own counsel at this interview, that I declined to act and that the advice I gave was not given as a lawyer and was not followed.

There are a number of other misquotations of the testimony of like character giving to the transactions an atmosphere that is not in accord with the facts.

I shall hope that in the usual course and following the ordinary method of such investigations I shall receive a copy of the minutes of my testimony and shall be afforded the opportunity of making such corrections as I deem necessary before the testimony is printed into the record.

Meantime, there is one correction that I desire now to have made. It relates to Dr. Albert's published explanation following the stealing of his portfolio in August, 1915 and the subsequent publication of its contents.

When the 3-column article was shown me at the hearing I was unable, as you may recall, to read it and stated that I did not recall any of the circumstances. I have since refreshed my memory with the aid of the mention of Mr. Cobb's name and now recollect something of the facts.

I remember that Dr. Albert told me that his portfolio had been stolen and that it had been accomplished through the agency of the British Secret Service

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA. 1937

operating here, as he then claimed, and that the delicate diplomatic negotiations that were then under way between the two countries following the sinking of the "*Lusitania*" and the negotiations between our country and Great Britain, and between his country and Great Britain, over the question of the freedom of the seas and the legality of the British blockade (concerning which the President was then negotiating with Great Britain) might be seriously affected by the operations of that Service against Germany's diplomatic agents here and by inflaming and prejudicing the public mind at that particular time. He thought it was part of the British propaganda to foment trouble and thus to prejudice the negotiations with Germany and asked me whether I would represent the whole situation to the New York World in the interest of peace between the two countries.

I saw Mr. Cobb to whom I conveyed Dr. Albert's point of view.

Following the publication of the papers I now remember examining for Dr. Albert a statement of facts that he had prepared or had had prepared and now believe, after reading the statement, that I assisted in putting it into shape, though I still have no distinct recollection of exactly what I did in that connection and do not recall having seen Dr. Fuehr then or at any other time or of ever having met him.

I did in that connection what I regard as a public and patriotic duty in the interest of preventing further friction between the two countries whose relations were then greatly strained as a result of the sinking of the *Lusitania*. The President was still trying to keep the peace by securing a cessation of this piratical submarine warfare and a pledge not to resume it.

I knew, of course, nothing about the facts contained in the statement but from what was apparent with respect to the diplomatic situation and in the light of what I then knew, I would be glad and proud to repeat the effort to suppress that publication at that particular time if the opportunity came my way.

Very respectfully yours

SAML UNTERMYER.

SU-F

P. S.—Referring to "Propaganda," the accompanying clipping is from this evening's N. Y. Sun. I do not for a moment believe that Major Humes would be responsible for circulating reports of this kind but am not so sure about some of those around him. It is only another evidence of the sort of thing to which men have to submit whose names are brought into your inquiry. Of what use, may I ask, is it for the Committee to try to conduct its proceedings according to orderly rules if the improper matter is permitted to "leak out" in this irresponsible fashion? I trust the Committee will be able to locate the culprit as I am sure it will endeavor to do in the protection of the dignity of its proceedings.

1 Enclosure

Senator OVERMAN. I have also received a telegram from Mr. Untermyer, which will be put in the record [reading]:

30w HX 207

CB

NEW YORK NY Dec 19th

Hon LEE S OVERMAN

Chairman Sub Committee of Senate Judiciary Committee,
Washington DC.

In connection with my yesterdays letter to you permit me to call your attention to a letter introduced into your records yesterday published in this mornings papers from Dr Albert to Vonpapien dated November 16, 1916 in which Albert fully outlined his position on submarine warfare predicting that if continued it would cause war and urging that it be restricted within the limits demanded by this country stop /. as intimated by me at the hearing I know his views on this subject which were also the views of the more influential members of the embassy all of whom were doing their utmost to prevent the resumption of unrestricted submarine warfare stop/. It was because of my knowledge of this attitude that I was most solicitous that Alberts usefulness should not be impaired at that particular time and that he would not get into trouble with his own government over the loss of his portfolio which would have destroyed his influence in the then pending delicate diplomatic negotiations upon which at that time hung the issue of peace or war for this country stop. I was accordingly glad of the opportunity to see Mr Cobb stop. Please consider this a supplement to my letter.

SAMUEL UNTERMYER

Mr. Untermeyer requests that I give the same publicity to his letter that was given to his testimony by the newspapers. It is up to the newspapers, now, to say what they will do. I can not control them. I have no control over them, and no complaint of the newspaper men. I can simply give the same publicity to his letter that we have given to his testimony. The committee is not responsible for headlines or newspaper reports. The newspaper men can take care of themselves.

Maj. HUMES. I have only glanced over the clipping inclosed in Mr. Untermeyer's letter, and I do not see anything in the clipping that could not or might not have been inferred from the discussion of the telephone conversation. I have not read it carefully. Does the committee want it to go into the record, as well as the letter?

Senator OVERMAN. It just refers to this examination?

Maj. HUMES. I have not read it in toto.

Senator OVERMAN. I ruled that this telephone conversation should not go into the record unless there was some proof of its authenticity, and the conversation will not go in unless proof is made, except what Mr. Untermeyer admitted.

You can read the newspaper clipping, and if you have anything to say in regard to corrections that you think should be made, they can be put into the record.

Senator WOLCOTT. Manifestly, Mr. Chairman, the thought that was in Mr. Untermeyer's mind in reference to this matter at the hearing the other day, when he was on the stand, was this: The substance of the alleged telephone conversation was not permitted to go in, because it was not proposed to follow Mr. Untermeyer's repudiation of this conversation, if he did repudiate the conversation, with a witness to contradict it.

Senator NELSON. He did not entirely repudiate all of it.

Senator WOLCOTT. Or he did not remember, or something to that effect.

Senator NELSON. Yes.

Senator WOLCOTT. So that those telephone conversations were left out. There was no evidence at all as to how the evidence of the telephone conversation was received.

Now, then, that is the state of the record. The newspaper article which Mr. Untermeyer inclosed undertakes to say how these telephone conversations were received; and if they were obtained in the way set out in the newspaper article, of course a great many people would think they must be correct telephone conversations; and the article also says they are of a sensational nature; but those conversations are not in evidence. Mr. Untermeyer evidently objects to the manner in which the press reporter has written up that particular fact, because he thinks it misleads the public to believe that there has been something offered in the way of a telephone conversation which is not in evidence, and that the public can not see. That is evidently the burden of his complaint.

Senator OVERMAN. The newspaper man probably should have stated that it was ruled out.

Maj. HUMES. You will remember, Mr. Chairman, that when Mr. Untermeyer made a suggestion with reference to the possibility of his wires being tapped, I made the positive assertion that his wires had not been tapped; and I think that is the only thing that was said on

the subject. I know I have not discussed it with anyone else. The speculation of a newspaper, of course, can not be guarded against.

Senator WOLCOTT. This committee can not protect against that, of course.

Senator KING. It is manifest that the newspaper reporter failed to appreciate the evidence and the source from which it is alleged the evidence was obtained, because, as Maj. Humes stated, he expressly declared, at the time, that the telephone line had not been tapped.

Maj. HUMES. That Mr. Untermeyer's telephone line had not been tapped.

Senator KING. So that it is apparent that there was no telephonic evidence that Maj. Humes intended to offer.

This report in the New York Evening Sun, however, is misleading.

Maj. HUMES. I do not want you to be laboring under a misapprehension, Senator, as I think possibly you are, from that remark. I said that Mr. Untermeyer's lines had not been tapped. That was the remark that I made. He inferred that possibly some one had been interfering with his telephone service, and I disclaimed any purpose to interfere with his telephone service.

Senator OVERMAN. I think it was perfectly right to lay a foundation by asking questions about it. It is a question of whether Mr. Untermeyer admitted or denied the conversations. I think he denied some and admitted others. I think the foundation is laid for the evidence.

Senator NELSON. My recollection is that this was shown to him and that he indirectly admitted some of it, and some of it he said was not so. That is the way I understood it.

Senator OVERMAN. Yes; a part of them he said was so, and a part of it was impossible.

Senator NELSON. Yes.

Senator OVERMAN. He said that he could not have made such a statement.

Senator NELSON. Yes; and they were not admitted.

Senator STERLING. It seemed to me that by the questions the foundation was laid for testimony relative to the things that Mr. Untermeyer could not recall or which he denied; and the question is simply as to whether evidence will be forthcoming for which a foundation was laid by those questions.

Senator KING. I suggest that we proceed, Mr. Chairman.

Senator OVERMAN. I do not think that should go into the record. Do you think so?

Senator KING. I do not care. Just whatever you say.

Senator OVERMAN. Does he request that this go into the record, Major?

Maj. HUMES. He does not make any request with reference to that particular clipping. He refers to it in a postscript to his letter, but makes no special mention as to whether it shall go into the record.

Senator OVERMAN. I am informed by a newspaper man that this clipping does say that I ruled out these telephone messages, and that they were not to go in unless they were substantiated. The newspaper man informs me that that is in there. I have not read it. I have not had time to read it. That, I take it, as stated by the newspaper man, is in the clipping.

Senator STERLING. This is the statement from the clipping [reading]:

In the course of yesterday's examination of Mr. Untermeyer, Maj. Humes referred to these telephone conversations on several occasions, but inasmuch as the talks were uncorroborated, Chairman Overman of the Senate Judiciary Committee refused to permit them as a part of the record.

Senator OVERMAN. Let them go in. We want to do all parties justice. We will let the whole record go in.

Senator KING. The point that is misleading there—and yet it is fairly deducible, probably, from the testimony—is that it assumes that there were telephonic talks, whereas he denied that any such telephonic talks occurred.

Maj. HUMES. That is one of the instances of the added mystery of excluded testimony.

(The newspaper clipping above referred to is here printed in the record in full as follows:)

[New York Evening Sun, Dec. 18, 1918.]

"LISTENED IN" ON UNTERMEYER—WIRE TAPPER RECORDED TALKS WITH ALBERT AND BOY-ED—COMMITTEE TO HEAR THEM—SENSATIONAL EVIDENCE PROMISED IN PROPAGANDA INQUIRY.

[Special dispatch to the Evening Sun.]

Washington, Dec. 18—Major E. Lowry Humes, conducting the investigation into German propaganda for the Senate Judiciary Subcommittee, was seeking to-day to find a method by which reports of alleged telephone conversations between Samuel Untermeyer and Dr. Heinrich Albert, Chief of German propagandists here during the war, and Capt. Boy-Ed, former German naval attache, can be read into the record of the hearing.

An agent of the Department of Justice, who in 1916 tapped the wires leading into the offices of the Hamburg-American line, where Albert and Boy-Ed at times had their offices, and who "listened in" on and took stenographic notes of alleged conversations between Mr. Untermeyer and the two Germans, may be called to testify before the committee and give his report of the conversations.

In the course of yesterday's examination of Mr. Untermeyer, Major Humes referred to these telephone conversations on several occasions, but inasmuch as the talks were uncorroborated Chairman Overman of the Senate Judiciary Subcommittee refused to permit them as part of the record. Major Humes then served notice that he would attempt to produce corroboration of the conversations and arrangement was made to notify Mr. Untermeyer in case witnesses to the conversations should testify.

PHONE TALKS SENSATIONAL.

Full reports on the alleged conversations have been in the records of the Department of Justice for some time and copies of these were furnished Major Humes at the outset of the hearing on German propaganda. It was because of knowledge of these data that Major Humes was so severe yesterday in his examination of Mr. Untermeyer and his insistence on the witness answering a number of embarrassing questions.

The reports of the telephone conversations are declared by those who have seen the transcripts to be sensational. It is understood that they may throw new light on the relations between Dr. Albert and Mr. Untermeyer, and that they may refresh Mr. Untermeyer's recollection as to a number of matters that he failed to remember when on the stand yesterday. The conversations with Boy-Ed, it is understood, dealt with the attempt of the Germans to keep Boy-Ed's name out of the trial of the Hamburg-American Line cases in New York. Boy-Ed is alleged to have attempted to persuade Mr. Untermeyer to use his influence with the State Department to prevent Boy-Ed's name from being dragged into the trial as a German conspirator.

The conversations with Albert, it is understood relate to a number of transactions, including Mr. Untermeyer's attempt to interest Albert in the purchase

of THE SUN properties before they passed into the ownership of Frank A. Munsey. There is some question yet as to the admissibility of these conversations, but the matter probably will be thrashed out before the sub-committee, and, unless the authenticity of the conversations can be effectively impugned, they probably will go into the record in some fashion or other.

BECKER TO TESTIFY TOMORROW.

Assistant Attorney-General Becker of New York will be a witness before the sub-committee tomorrow and will tell some of the interesting facts that have come into his possession in regard to German propaganda.

TESTIMONY OF MR. ALFRED L. BECKER.

(The witness was sworn by the chairman.)

Maj. HUMES. What is your official position in the State of New York?

Mr. BECKER. I am deputy attorney general.

Maj. HUMES. State if, pursuant to your service as deputy attorney general of New York State, you had cause to make an investigation of certain phases of German activities and propaganda in this country.

Mr. BECKER. Yes.

Maj. HUMES. Have you reviewed to some extent the testimony of Mr. Bielaski?

Mr. BECKER. I have read all that was given at the first three sessions. I do not know whether he has been a witness since that time.

Maj. HUMES. No; that is all. You are familiar, as the result of conference and your observation of the activities of this committee, with the general subject matter of its inquiry?

Mr. BECKER. Yes.

Maj. HUMES. Will you in your own way simply state to the committee what you know of the German activities in the different lines in this country, and some of the results of your discoveries?

Senator OVERMAN. Do not state your opinions, but just those things which you have facts and documents to prove.

Mr. BECKER. I may state with reference to that that there is very little of which I have personal knowledge. Our investigations were made pursuant to a statute known as chapter 595 of the laws of 1917 of the State of New York.

Senator OVERMAN. Let that be incorporated in the record.

(The statute referred to was marked "Becker Exhibit No. 1," and is here printed in the record as follows:)

BECKER EXHIBIT No. 1.

[Laws of New York—By Authority. Chap. 595.]

AN ACT To amend the executive law, in relation to the general duties of the attorney-general.

[Became a law May 21, 1917, with the approval of the Governor. Passed, three-fifths being present.]

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section sixty-two of chapter twenty-three of the laws of nineteen hundred and nine, entitled "An act in relation to executive officers, constituting

chapter eighteen of the consolidated laws," is hereby amended by adding thereto a new subdivision, numbered eight, to read as follows:

§ 62. *General duties*: The attorney-general shall:

8. Whenever in his judgment the public interest requires it, the attorney-general may, with the approval of the governor, and when directed by the governor, shall, inquire into matters concerning the public peace, public safety and public justice. For such purpose he may, in his discretion, and without civil service examination, appoint and employ, and at pleasure remove, subordinates, deputies, officers and other persons as he deems necessary, determine their duties and, with the approval of the governor, fix their compensation. All appointments made pursuant to this subdivision shall be immediately reported to the governor, and shall not be reported to any other state officer or department. Payments of salaries and compensation of officers and employees and of the expenses of the inquiry shall be made out of funds provided by the legislature for such purposes, which shall be deposited in a bank or trust company in the names of the governor and the attorney-general, payable only on the draft or check of the attorney-general, countersigned by the governor, and such disbursements shall be subject to no audit except by the governor and the attorney-general. The attorney-general, his deputy, or other officer designated by him, is empowered to subpoena witnesses, compel their attendance, examine them under oath before himself or a magistrate and require the production of any books or papers which he deems relevant or material to the inquiry. If a person subpoenaed to attend upon such inquiry fails to obey the command of a subpoena without reasonable cause, or if a person in attendance upon such inquiry shall, without reasonable cause, refuse to be sworn or to be examined or to answer a question or to produce a book or paper, when ordered so to do by the officer conducting such inquiry, he shall be guilty of a misdemeanor. It shall be the duty of all public officers, their deputies, assistants and subordinates, clerks and employees, and all other persons, to render and furnish to the attorney-general, his deputy or other designated officer, when requested, all information and assistance in their possession and within their power. Each deputy or other officer appointed or designated to conduct such inquiry shall make a weekly report in detail to the attorney-general, in form to be approved by the governor and the attorney-general, which report shall be in duplicate, one copy of which shall be forthwith, upon its receipt by the attorney-general, transmitted by him to the governor. Any officer participating in such inquiry and any person examined as a witness upon such inquiry who shall disclose to any person other than the governor or the attorney-general the name of any witness examined or any information obtained upon such inquiry, except as directed by the governor or the attorney-general, shall be guilty of a misdemeanor.

§ 2. This act shall take effect immediately.

STATE OF NEW YORK, }
Office of the Secretary of State. } ss:

I have compared the preceding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS M. HUGO
Secretary of State

Mr. BECKER. Under this statute the attorney general, with the consent or by the direction of the governor, is authorized to make inquiry with respect to matters concerning the public peace, public safety, and public justice. He has power to subpoena witnesses and to take their sworn testimony. We have carried out that act in many inquiries, and what I shall state is founded partly on documents and partly on sworn testimony.

Senator KING. That act makes the attorney general a grand jury?

Mr. BECKER. It makes him a sort of magistrate to conduct John Doe inquiries, within the limitations of the act.

Senator KING. In secret?

Mr. BECKER. In secret or in public, as may be considered proper. The act forbids the making public, without the permission of the

attorney general, of any matters, but, of course, I have the permission of the attorney general, if that were necessary, to make anything public that I shall refer to.

Senator KING. Does that act extend to times of peace also?

Mr. BECKER. It is not limited in its terms to the period of the war, but it is a war measure. Whether it shall be extended or not to times of peace is something that must depend upon the administrative judgment of the officers hereafter in charge of its administration. Heretofore it has been used only as a war measure, and with reference to war investigations, with possibly one or two trifling exceptions. The first investigation that was made under this statute was the Bolo Pacha investigation. That is not strictly a matter of American propaganda, but in taking up the subjects to be discussed by me it seemed to me that a view of the propaganda question that attempted to limit the discussion to what had happened in the United States, would inevitably fail to give a grasp and broad conception of what German propaganda has been; and that this committee ought to have, it seems to me, preparatory to drafting any new legislation, that information. I want to emphasize that German propaganda has been a world-wide affair, by no means limited to the United States, and even more active in other countries than in the United States.

Senator OVERMAN. Especially what countries—Mexico?

Mr. BECKER. The whole of South America, Mexico, and we have some knowledge of propaganda in Central American countries, Cuba, Porto Rico, Spain, Scandinavian countries, Holland, Persia. I mention the countries as to which I have specific information.

Senator WOLCOTT. Why have you not embraced France?

Mr. BECKER. I was naming first the neutral countries. Then in addition to that is to be added the German propaganda in enemy countries, which included all of the countries at war with Germany.

Senator KING. Mr. Chairman, I was not present at the executive session when the scope of this investigation was determined. For my own information, let me ask, did the committee determine that the resolution involved the investigation of propaganda in neutral territory and in all of the belligerent countries, or did the committee determine that it was to be confined to propaganda in the United States?

Senator OVERMAN. Against the United States, whether in foreign countries or anywhere else—anything inimical to the Government of the United States.

Senator WOLCOTT. Did this Bolo Pasha incident, about which you are proceeding to speak, have to do with propaganda in the United States at all?

Mr. BECKER. In this way, if I might anticipate the story. The Bolo Pasha incident is very closely connected with a project—not perfectly understood with any facts now available, but unquestionably involved—of a combined news service between the Hearst papers in the United States and the Paris Journal, so that although—

Senator REED. Mr. Chairman, I thought this witness was asked not to express opinions, but to tell facts.

Senator OVERMAN. He was; but I suppose he is telling the facts.

Mr. BECKER. I am telling the facts.

Senator REED. Is this opinion?

Mr. BECKER. It is a fact that is proved by a document which I have here.

Senator REED. Then I want to suggest to the committee that they get the document and not the opinion of the witness.

Senator OVERMAN. He can state generally what the document is.

Senator REED. Let us see it.

Mr. BECKER. I have made an arrangement which I proposed to follow in the statement of the Bolo Pasha case, but the inquiry by the Senator raised the question in my mind whether the committee desires to listen to the subject at all, and in response to that question I was explaining in a preliminary way the question involved.

Senator REED. I beg pardon of the committee, but——

Senator NELSON. Mr. Chairman, I suggest that we should go on and hear Mr. Becker's statement.

Senator OVERMAN. I think so.

Mr. BECKER. The commencement of the Bolo Pasha inquiry was due to letters rogatory sent to the governor of the State of New York by the French Government asking an investigation of the case. It appeared that there was an indictment pending against Bolo Pasha in France, accusing him of entertaining relations with the enemy, and the information had reached the French Government that three banking institutions in the United States had handled certain money of Bolo Pasha, and also forwarded to Madame Bolo. Those banking institutions were the G. Amsinck Co.; the Royal Bank of Canada, New York agency; and J. P. Morgan & Co.

Senator KING. The Royal Bank of Canada was an English or a Canadian institution.

Mr. BECKER. A Canadian institution with a New York agency.

Senator KING. There is nothing to show that it was a German bank or sympathetically German?

Mr. BECKER. There is nothing to show that there was any knowledge of these affairs, except upon the part of Adolph Pavenstedt, of G. Amsinck & Co.

Senator KING. And, of course, no knowledge on the part of Morgan & Co.?

Mr. BECKER. No. The whole process was one of divorcing knowledge. Each successive transfer was for the purpose obviously of removing the indicia of German origin from the funds.

Senator KING. There is no inference to be deduced, from the fact that this was a banking transaction through these different banks, that they were connected in any way knowingly with any German propaganda?

Mr. BECKER. Except in the case of G. Amsinck & Co., none whatever.

Senator WOLCOTT. How is that spelled?

Mr. BECKER. A-m-s-i-n-c-k.

Senator KING. Where was that?

Mr. BECKER. In New York; on Hanover Street. I would like to state by way of personal explanation that I am going to mention names as I go along, not specifically with the thought that they may or may not be involved. Because I mention a name it does not mean that that person is a German propagandist. I am not going

attempt to tell a story that has been expurgated by leaving out every name that is not that of a German propagandist.

Senator KING. Do you not think you ought to make it clear—

Mr. BECKER. I shall endeavor to do so.

Senator KING (continuing). So that no inferences may be drawn against innocent people? Because in this hearing up to date names have been put into the record of men who were themselves loyal—just as loyal as you, Mr. Becker, or as any member of this committee—and improper inferences have been drawn from that fact, and a great injustice perhaps has been done them. We ought to avoid doing injustice to any man.

Mr. BECKER. I shall endeavor to protect the reputation of every one whose name I mention, but nevertheless whose name must be mentioned if the complete story is to be told.

Senator WOLCOTT. You are undertaking a very serious matter there. If, perchance, in the course of your testimony, you should forget for a moment to express your opinion of a particular man whose name you mention, in view of your purpose to exculpate every one who in your judgment should be exculpated, that omission on your part might brand this particular man as one not worthy of being exculpated. I think you are laying out for yourself a very dangerous course. The much better course, I think, would be to mention the names, with the express statement that you do not mean to condemn anybody, but the facts in each case must speak for themselves.

Mr. BECKER. That is what I intended to state. I do not mean that everybody is to be a suspect whom I do not exculpate as I go along. I think the facts will show for themselves.

Senator NELSON. Proceed.

Senator OVERMAN. I think we had better let this witness proceed and make his statement and then cross-examine him. I think that would be the better way, and that it would save time.

Mr. BECKER. In a nutshell, investigation by an accountant, Perley Morse, employed by the Attorney General, disclosed the German origin of funds deposited to Bolo's account with G. Amsinck & Co.

Senator OVERMAN. Perley Morse is an accountant?

Mr. BECKER. Yes. Those funds were deposited to Bolo's credit with G. Amsinck & Co., and were from there passed on to the Royal Bank of Canada and to J. P. Morgan & Co., and ultimately to the credit of Bolo and Madame Bolo, in Paris.

Senator NELSON. See if I understand that; was that money raised in this country?

Mr. BECKER. If you will bear with me, I will now give you the facts more in detail.

Senator NELSON. I shall not interrupt you. Go on.

Mr. BECKER. I would prefer to tell the Bolo case more in chronological order—that is, the general summary of the situation. First, as to Bolo himself: Bolo was a typical adventurer. He was of eastern origin, although born in Marseilles, France. He was a man at the time of these events of about 50 years of age. Bolo, it seems by the proof upon his trial, had led the career of an adventurer, and his first appearance as a man of any prominence in France was after his marriage to a rich widow, which produced for him a very considerable income. However, at the commencement of the war, through

prodigal expenditures, Bolo had exhausted this income very largely. In the early part of 1914 Bolo was appointed by the former Khedive of Egypt—Abbas Hilmi, who was the Khedive at this time—a pasha, and he was given that title and made a sort of financial agent of Abbas Hilmi for the purpose of making a sale of certain property that the Khedive had in France. Then came the war, bringing with it Abbas Hilmi's flight to Constantinople, he being practically ejected by the British Government from his position as Khedive of Egypt on account of his pro-German sympathies, which were well known. Abbas Hilmi ultimately took refuge in Switzerland. Bolo Pasha, in 1914 and in 1915, was proved on his trial to have been engaged in several pro-German intrigues in company with Abbas Hilmi. It is not necessary to go into the details. There was a proposition, however, to corrupt French journalists and the French press, and for this purpose a large amount of money was paid to Abbas Hilmi, and after a great deal of it had stuck to his fingers, practically amounting to robbery, there was still some disbursed in Italy and some disbursed through Italy in France. About this time there was a large sum of money that came from a family in Switzerland, supposedly used to purchase an interest in the Paris Journal, which was an important paper in Paris that had been under the direction of Senator Charles Humbert, a senator from the Meuse. That purchase has been freely alleged to have been in the German interest, but I shall refrain from making that statement, owing to the fact that it has not yet been proved in the French court. Subsequently Senator Humbert was threatened, by a combination of circumstances, with the loss of control of the Paris Journal. As a result Bolo got in touch with Senator Humbert and offered to furnish the funds.

Senator WOLCOTT. This was after he had purchased an interest?

Mr. BECKER. A contract was entered into between Bolo and Humbert for the purchase of an interest in the Journal, but Bolo lacked the funds to put it through. It was believed that 10,000,000 francs would be required. About this time Bolo met Charles F. Bertelli. Bertelli had made a deposition prior to the trial of Bolo and he testified upon the trial. His testimony reads, in part, as follows. He was asked:

Why did you introduce Bolo to Hearst?

His answer was—and this is his deposition given before the trial, but his testimony on the trial from the report was substantially the same—he answered:

Because Jean Finot, director of La Revue, whom I have known since 1912, the period when I was correspondent of the New York Times, had sent Bolo a letter of introduction to Mr. Hearst and had requested me to vouch for him with Hearst. He said to me, "Interest yourself in the matter; Bolo has very great political power; he is proprietor of Le Journal"—

That is the Paris Journal—

"and it would be well for Hearst to know him. As I have already told you, I made the voyage with Bolo in 1916."

Senator OVERMAN. Who is Bertelli?

Mr. BECKER. Bertelli was an Italian by nationality, living in Paris, and was the Paris correspondent of the Hearst papers. Bertelli came with Bolo on the ship, arriving in New York on the 24th of February, 1916; and it appears also by Bertelli's testimony that he was paid 11,000 francs by Bolo, according to his testimony, as a

loan. He repaid this sum of money. They arrived on the 22d of February, 1916.

Prior to the arrival from the ship Bolo sent a wireless to one Adolph Pavenstedt, a German subject, then the head of the firm of G. Amsinck & Co., bankers, in New York. The wireless message I may have here, but it was simply to the general effect that he was about to arrive in New York.

In 1914 Bolo and Pavenstedt had met in Cuba and had been to some extent associated in certain financial projects at that time, in which Bolo represented the Paris banking house of Perier & Co.

On Bolo's arrival on the 22d of February he at once got in touch with Pavenstedt. We examined Pavenstedt at great length and obtained his story. His first testimony was to the general effect that an offer was made to obtain the money with which to finance the purchase of the controlling interest in the Journal by Bolo and Humbert from various banking institutions.

Senator KING. That is, the Paris Journal?

Mr. BECKER. Yes; and that it was not until after perhaps a week or 10 days of effort of that sort that finally the suggestion was made by Pavenstedt that only the German ambassador would be likely to be interested in the subject. Mr. Pavenstedt testified also that at this time he came to Washington and saw Mr. Bernstorff and presented the matter to him. About that time there were made public by the Department of State a series of dispatches——

Senator OVERMAN. Have you that general affidavit?

Mr. BECKER. It is here, but I think I carry the salient points in my mind. I am willing to have the committee, at any time it desires, read the passages that will establish these facts.

Senator OVERMAN. If anyone desires to have the affidavit you can produce it?

Mr. BECKER. It is produced now; it is before the committee. I am quite willing to have it all marked in evidence if desired. It will merely encumber the record with very long, protracted discussions. The Department of State gave out a series of dispatches, which are public property, passing between Bernstorff and the German foreign office, and it appeared that the first dispatch sent by Bernstorff with relation to this matter was dated February 26.

Senator WOLCOTT. What year?

Mr. BECKER. 1916. An examination of the register of the Shoreham Hotel, where Mr. Pavenstedt stayed, showed that he was at the Shoreham on the 24th of February. Summarizing the various steps in the matter. I will give you a coronology of what happened, which is also based in part on more recent investigations conducted at the request of the French Government, having to do with the prosecution of Charles Humbert.

Senator WOLCOTT. Mr. Becker, I rather assume that the visit of this man Pavenstedt in Washington to see Bernstorff was for the purpose of getting the German Ambassador to supply funds to purchase the Paris Journal?

Mr. BECKER. Mr. Pavenstedt so testified.

Senator WOLCOTT. Did these wires to Berlin throw any light on that question?

Mr. BECKER. Yes.

Senator WOLCOTT. Of whether or not the German Ambassador supplied the funds?

Mr. BECKER. Yes.

Senator WOLCOTT. You are going to show these wires later?

Mr. BECKER. Those wires are all here, and they were made public at that time. I will read them into the record if desired, shortly.

Senator WOLCOTT. You had not mentioned in a general way the contents of those wires?

Mr. BECKER. I am coming to that in a moment. I propose to give the chronological story at this point in order to show the interweaving of various negotiations going on at the same time.

Senator OVERMAN. I think we had better let Mr. Becker go on and make his statement. He says he has all of these statements, and we can examine him afterwards. Let him tell his story.

Mr. BECKER. As far as the documents are concerned, I would be very glad to read them. When it comes to the question of the testimony, it is very difficult to pick out a question or an answer here and there, and I would much prefer, unless the committee directs otherwise, to give you a summary of it, which I under my oath will make as accurate as possible.

On February 22, 1916, as already stated, Mr. Bolo arrived; and one of the first things that he did, by the way, was to send his card and a statement with reference to a letter of introduction to Madame Barrientos, the opera singer, who was practically a ward of a partner in Barcelona, Spain, of the firm of Perier & Co., bankers, in Paris; but I want to state emphatically that the acquaintance he formed here with Madame Barrientos and his connection with the firm of Perier & Co. in Paris does not warrant the slightest imputation of disloyalty or pro-Germanism on the part of either the opera singer, Madame Barrientos, of the Metropolitan Opera Co., or Perier & Co., bankers, in Paris. On February 23, the next morning after the arrival, Bolo had a conference with Adolph Pavenstedt, and on the same day he wrote a letter in French to E. G. Grace, president of the Bethlehem Steel Co., which I think I can translate for you. It is dated February 23, 1916, and is on the paper of the Plaza Hotel, New York, and it reads, translated, as follows:

BECKER EXHIBIT No. 2.

DEAR SIR: I am the bearer for you of a letter from our friend in common, Senator Charles Humbert, of Paris. Would you be so kind as to inform me at what time you will be able to receive me.

Very sincerely, yours,

BOLO PASHA.

Senator STERLING. Is there any reply to that letter?

Mr. BECKER. Yes. I will come to that in due order. On the 24th of February Mr. Pavenstedt was at Washington consulting with Mr. Bernstorff, and you will note that he lost no time in going. On the 26th Bernstorff sent his first dispatch to Berlin. This is the dispatch as given out by Secretary of State Lansing, addressed to Herr von Jagow, German minister of foreign affairs:

No. 679.

FEBRUARY 26, 1916

I have received direct information from an entirely trustworthy source concerning a political action in one of the enemy countries which will bring peace. One of the leading political personalities of the country in question is seeking a loan of \$1,700,000 in New York, for which security will be given. I was forbidden to give his name in writing. The affair seemed to me to be of great possible importance. Can the money be provided at once in New York?

That the intermediary will keep the matter a secret is entirely certain. Request answer by telegraph. A favorable report will follow as soon as a trustworthy person can be found to bring it to Germany. **BERNSTORFF.**

Senator STERLING. To whom was that addressed?

Mr. BECKER. To von Jagow, the German minister of foreign affairs. On the same date, the 26th of February, at New York, Bolo again addressed Mr. Grace, of the Bethlehem Steel Co., on the stationery of the Plaza Hotel, New York, as follows:

BECKER EXHIBIT No. 3.

SATURDAY, FEBRUARY 26, 1916.

DEAR SIR: I believe that you have returned to New York, and I should be very greatly obliged to you if you would kindly arrange for a rendezvous at which I may present to you the letter from Senator Charles Humbert which I have brought from Paris.

In the hope of a reply, believe me

Yours very truly,

BOLO PASHA.

Senator STERLING. He evidently had not received any reply to his first letter then?

Mr. BECKER. Not yet. On the 28th of February Bolo telegraphed to E. G. Grace, Bethlehem Steel Co., South Bethlehem, as follows:

BECKER EXHIBIT No. 4.

NEW YORK, February 28, 1916.

Wrote you twice regarding interview to present you letter from your friend, Senator Charles Humbert, of Paris, regarding very important matter. Kindly telegraph me when and where I can meet you, as came over to America especially to see you on our friend's behalf. **PAUL BOLO PASHA.**

Care Hotel Plaza, New York.

On February 29 there was received, according to the cables given out by the State Department, the following cable from Herr von Jagow, the foreign minister, to Bernstorff:

BECKER EXHIBIT No. 5.

No. 150.

FEBRUARY 29.

Answer to telegram No. 679.

Agree to the loan, but only if peace action seems to you a really serious project, as the provision of money in New York is for us at the present extraordinarily difficult. If the enemy country is Russia, have nothing to do with the business, as the sum of money is too small to have any serious effect in that country. So too in the case of Italy, where it would not be worth while to spend so much.

On the same day Bolo received a telegram, dated the previous day, from A. G. Grace, as follows:

BECKER EXHIBIT No. 6.

PAUL BOLO PASHA, SOUTH BETHLEHEM, PA., February 28, 1916.
Care Hotel Plaza, New York City:

Have just received your letters. Delayed on account of being continuously away from office. Can see you in Bethlehem tomorrow or in New York Thursday at your convenience. **E. G. GRACE.**

On February 29, the same day this foreign-office message was received, Bolo telegraphed to Grace, as follows:

BECKER EXHIBIT No. 7.

E. G. GRACE, NEW YORK, February 29, 1916.
President Bethlehem Steel Company:

Many thanks for your wire. Prefer to wait until Thursday and see you in New York. If you will kindly wire me time and place.

Care Hotel Plaza.

PAUL BOLO PASHA.

On February 29 still another telegram from Grace to Bolo. as follows:

BECKER EXHIBIT No. 8.

SOUTH BETHLEHEM, PA., *February 29, 1916*

PAUL BOLO PASHA.

Hotel Plaza, New York City:

If convenient to you would like to see you at 11.30, Thursday morning. New York office, 111 Broadway. E. G. GRACE

The next morning would be March 2.

On March 1 there was a telegram from Bolo to Grace as follows:

BECKER EXHIBIT No. 9.

E. G. GRACE,

NEW YORK, *March 1, 1916*

B. S. Company, South Bethlehem, Pa.

Thanks for wire. Will meet you as arranged tomorrow at 11:30 at your New York office. PAUL BOLO PASHA.

On March 2 the meeting occurred between Bolo and Grace. I have Mr. Grace's testimony with reference to that matter, for the use of the French Government in the Humbert case. It involves some matter which, for reasons affecting the interests of France, I do not feel at liberty to disclose now, but I can state this much, that the general substance of the testimony with reference to this matter was that Bolo proposed to Grace that the Bethlehem Steel Co. finance the purchase of the controlling interest in the Paris Journal; that there was a letter of introduction, which, however, has not been found, from Charles Humbert to Mr. Grace; that Mr. Grace promised to give the matter consideration and to discuss it with Mr. Schwab, of the Bethlehem Steel Co., but expressed doubt as to whether they could possibly be interested in the matter. I may state very generally, however, that it would be proper for me to do so at this time, that there had been certain relations between Senator Humbert and the Bethlehem Steel Co. in the late fall of 1914, when Mr. Humbert was in this country as purchasing agent for the French Government.

Senator KING. That is to say, he had purchased for the French Government some munitions, or steel products, from the Bethlehem Co.

Mr. BECKER. Yes.

Senator KING. An entirely legitimate and proper transaction?

Mr. BECKER. Yes. In fact, as between Bolo and Mr. Grace and the Bethlehem Steel Co., there was nothing that is of importance as charging the Bethlehem Steel Co. with anything in the slightest degree improper. I have been asked not to give my opinions, but perhaps it would not be improper to state by way of negative opinion that the best judgment I have been able to form, with regard to the transactions of Bolo with the Bethlehem Steel Co. is that they were all camouflage, designed to cover up the real purpose, which apparently had been formed before Bolo ever came to America, to come over here and get the money from the German Government. I want to call your attention again in that connection to the fact that Mr. Pavenstedt's first testimony tried to make it appear that there was a week or 10 days of futile negotiations before finally it was suggested that the German ambassador would be the only person interested, whereas it finally appeared that the very same day after Bolo's first conference with Pavenstedt, Pavenstedt took the train for Washington and was here the next morning. On March 3 Mr. Bernstorff arrived in New York and was registered at the Ritz Carlton Hotel.

and met Pavenstedt and informed him that they were ready to conclude the transaction. On March 3 or 4 Bernstorff had a conference with Hugo Schmidt, of the Deutsche Bank, and asked him if the Deutsche Bank would be prepared to do the financing on behalf of the German Government, and on March 5 Bernstorff cabled to Herr von Jagow, the foreign minister, according to the message given out by the State Department, as follows:

BECKER EXHIBIT No. 10.

Please instruct Deutsche Bank to hold 9,000,000 marks at disposal of Hugo Schmidt. The affair is very promising. Further particulars follow.

BERNSTORFF.

On March 6 Hugo Schmidt sent a wireless message to the Deutsche Bank, which he represented in America, reading as follows:

Wireless via Sayville. Deutsche Bank, direction, Berlin. Communicate with William Foxley and telegraph whether he has placed money at my disposal with you for Charles Gledhill (signed) Hugo Schmidt, March 6th, 1916.

The meaning of "William Foxley" was testified by Schmidt to be the German foreign office, and the meaning of "Charles Gledhill" was testified by him to be the German ambassador at Washington, Count Von Bernstorff.

On March 6 Bolo addressed a letter to G. Amsinck & Co. on the letterhead of the Plaza Hotel in French, which I will endeavor to translate, as follows:

BECKER EXHIBIT No. 11.

Messrs. Amsinck & Co., New York.

NEW YORK, 6th March, 1916.

GENTLEMEN: You will receive for my account a sum of money of which your Mr. Pavenstedt knows. Will you please have the kindness to deposit that sum to my credit with the Royal Bank of Canada, of your city, to the credit of my account in that bank.

Very sincerely yours,

BOLO PASHA.

On the 8th of March there was written by Mr. Grace a letter to Bolo, which I will read. Apparently that letter has been carried off by the stenographer with some other papers, but the substance of the letter was simply that he had been thinking hard about the proposition and that the Bethlehem Steel Co. could not consider it.

Now, the question may arise as to the individuals with whom Bolo came in contact in America. I have mentioned Pavenstedt. He did not meet Hugo Schmidt. I have mentioned Madame Barrientos, with whom his contact was purely social; in fact, she states that she became suspicious of him and refused to see him any more after awhile.

In addition there is the question of his contacts with Mr. Hearst. As authority for the extent to which that went we have, first, the testimony and deposition of Bertelli.

Senator KING. Where is Mr. Bertelli, Mr. Becker?

Mr. BECKER. He is still in France, I believe. Mr. Bertelli, in his deposition, states:

I spoke of Bolo to Hearst, and the latter said to me, "If he is the proprietor of great French newspapers, I certainly shall be very glad to receive him," and he invited him to lunch the next day. During the meal there was only discussion of superficial matters. Over the coffee, Bolo insisted that Hearst declare himself on the subject of France. His host replied to him that every American loved France, and that that country needed no advocate. He added that he considered France as his second fatherland.

Senator Wolcott. Who is meant by "he"?

Mr. BECKER. Hearst. [Continuing reading:]

In compliment to Hearst, Bolo gave a grand dinner at Sherry's. He consulted me on the choice of the guests, and thus it was that he had, besides Mr. and Mrs. Hearst and me, Mr. Van Anda, editor in chief of the New York Times; two or three ladies; Mr. and Mrs. Gerard (the husband is the brother of the American Ambassador at Berlin). Bolo had two personal guests—Jules Bois and the German, Pavenstedt. I assure you that this last selection astonished us all. No one knew that personage, not even Mr. Gerard, who is an old diner-out. Bolo had told me, "I have just withdrawn some millions which I deposited in Pavenstedt's bank before the war. It is a patriotic duty to return my funds to France, but I have to be polite to that German." As Bolo had in his mouth only the word "fatherland," and as America was still neutral, we passed Pavenstedt, but the American ladies present appeared very shocked at the presence of that German. I may add that there was something common about that individual's appearance, and he was truly more German than nature. I believe the ladies reproached Jules Bois very earnestly, and he was very mortified by that contact. Not so Bolo; and the next day when I met him on Fifth Avenue he laughed heartily at Jules Bois' displeasure.

I may add, parenthetically, that Bolo testified in his trial in France that during the course of that dinner Pavenstedt drank to the success of the allies, which he said he thought was pretty good for a Boche. Now, continuing the reading of this deposition—

Senator KING (interposing). Jules Bois was a Frenchman. I suppose?

Mr. BECKER. Yes; Jules Bois was a perfectly innocent Frenchman, who was delivering pro-French lectures in America; and out of a sum which Bolo received from Germany he gave Jules Bois \$5,000 to help him finance his lecturing in this country for the French. There is nothing to cast any reflection on Bois, whatever.

Now, continuing the reading of the Bertelli deposition:

Hearst gave a farewell supper to Bolo, preceded by a theater party. He had Judge and Mrs. Gary (the husband, president of the Steel Corporation), Mr. and Mrs. Gerard, and Mrs. and Mrs. Sweeny (whose brother is a member of the Foreign Legion). In the chatter of the party no one spoke of anything in particular, but before leaving America Bolo used this language to me: "I should like very much to be able to show my friends Poincare and Briand a paper proving that Hearst is pro-French. I have just sent Mrs. Hearst some flowers. Please suggest to her to write me to that effect. Coming from a lady, the letter will have more weight." I came to France with Bolo. During the voyage he told me that he married a widow, an actress, who brought him nineteen millions, a fortune which he had known how to make bear fruit enormously. He told me, besides, of a transaction in emeralds, carried out in Colombia, adding the astounding detail that he had bought 80 kilos of the precious stone, which were actually deposited in the vaults of a bank in France. He told me, besides, that at the moment of the German push on Paris he had arranged for a special train to transport his emeralds to Biarritz. He told me, finally, that France did not do enough for her propagandists in the United States, where gold flows like water, and that he believed it his duty to give a check for \$5,000 to that poor Jules Bois. He also talked to me of the ship of the campaign made by Mr. Hearst against the Anglo-French loan and asked me if Mr. Hearst would not support a loan of a billion dollars exclusively reserved for France. He said he wished to speak about it to M. Briand, and proposed to me to return to America to handle the matter. I answered that I did not ask anything better, but on the condition of being invested with an official mission of the French Government; the matter otherwise would make no progress. He related to me, besides, that in having his money returned from America he had made a considerable profit on the exchange. And in order not to lose that margin he had had it transmitted to France, one million each day, by use of cablegrams. He told me, finally, that Hearst, in spite of his enormous power in America, was misunderstood in France, and that he wanted to have an article concerning him published in

'Le Journal.' The article appeared the 3d of May, 1916, and should be by M. Mouthon. Previously Bolo furnished me with a draft, which I hand you, and the errors in which I thought I ought to correct in the letter, of which I hand you a copy. The article appeared revised according to the greater part of my criticisms. A little later Bolo met me in a chamber of the La Rue restaurant, with Charles Humbert and Mouthon, and we talked about a possible combination for exchange of news between 'Le Journal' and the Hearst newspapers, a combination which has not materialized.

Senator STERLING. Is that your statement, that it is a combination that has not materialized, or is that part of the deposition?

Mr. BECKER. That is part of the deposition.

Senator KING. Le Journal was a patriotic, virile French newspaper at that time, was it not?

Mr. BECKER. Yes; unquestionably. Of course it has been testified by Pavenstedt that it was represented to Bernstorff by him, as speaking for Bolo, that the intent was to start a defeatist propaganda in the Paris Journal, and that it was on that representation that the paper was purchased by the Germans.

I may say that about all that was done, so far as appears from an examination of the files of that paper, was to get in this fulsome account of Hearst, which appeared on the 6th of May, and certain discussions with reference to a possible combination of news service between the Paris Journal and the Hearst papers, or the International News Service, in this country. There were other contacts between Hearst and Bolo, and in order to give a fair statement of that I wish to confine myself merely to a bald representation, in a summary way, of what has been sworn to, giving also due attention to the denials of Mr. Hearst.

Senator KING. Sworn to by whom?

Mr. BECKER. That I will state. In connection with our endeavor to solve the Bolo mystery—which is simply whether there was a general conspiracy to which Senator Humbert and Bolo were parties, and how it was that Bolo came to this country in such apparent confidence that he would instantly obtain funds from the German Government—we made in the Humbert case an examination of a considerable number of witnesses. We obtained the testimony of several chauffeurs, the testimony of a doorman at the Hearst apartments at 137 Riverside Drive, New York, and of certain other employees in the building.

Senator KING. Where are those witnesses now?

Mr. BECKER. Some are in the United States Army; others are in New York. I have in each case the address given by them at the time, and if it is desired to have it——

Senator OVERMAN. I understand you to say that you will produce all these affidavits?

Mr. BECKER. Yes.

Senator OVERMAN. We do not want them in the record now; but if we want them, we can have them?

Mr. BECKER. Yes; the affidavits are right here. Out of place, now, before taking that up, I will read Mr. Grace's letter. It is dated March 8, 1916, and reads as follows:

BECKER EXHIBIT No. 12.

MY DEAR MR. PACHA: I have been thinking hard on the question you put to me last week; but, as I said then, I doubt very much whether Mr. Schwab or any of his associates would at this time be in position to help our good friend, Senator Humbert, in the direction he suggests. On account of the very unusual

and large financial obligations we have undertaken in the acquiring of our new properties I must say that, much as we dislike, it would be impossible for us to comply with your request.

Asking you to express to Senator Humbert Mr. Schwab's and my personal regards and at the same time our kindest greetings, I beg to remain,

Sincerely, yours,

E. G. GRACE, *President*

Mr. PAUL BOLO PACHA,
Hotel Plaza, New York City.

The testimony of a chauffeur named M. Berkowitz is simply that he drove Bernstorff to the Hearst apartments several times.

Senator WOLCOTT. Did he indicate when?

Mr. BECKER. The time that he gave is approximately the early part of 1916. Chauffeur V. Franco gives testimony of a similar character. Doorman B. Schomaker, employed at Mr. Hearst's Apartment, at 137 Riverside Drive, during the daytime, stated that he saw Bernstorff call four or five times to see Mrs. Hearst during the daytime—he was not on at night—and that he also saw Bolo call; or at least, he identified a picture of Bolo as being a man who called there.

Senator STERLING. Upon Mr. Hearst?

Mr. BECKER. Apparently upon Mrs. Hearst, because this man was only employed in the daytime.

A chauffeur named S. Cornfield testified that he drove Bernstorff to the Hearst apartment twice in the early part of 1916 or the latter part of 1915.

A chauffeur named Harry Block testified that he drove Bernstorff to the Hearst Apartment often, and that on one or two occasions he took Bolo and Bernstorff there together, identifying Bolo by his picture. Bernstorff he knew. He stated that once or twice he started from the Ritz-Carlton Hotel with Bernstorff, went to the Plaza, picked Bolo up there, drove to 137 Riverside Drive, waited there about 40 minutes until they came back, and then returned them both to the Plaza Hotel. He states that this was during the cold weather in 1916.

Chauffeur C. J. Fredriksen testified that he drove Bernstorff very often to the Hearst Apartment; that on one occasion he drove Bernstorff and Bolo together; Bernstorff from the Ritz, Bolo from the Plaza; then returning to the Plaza Hotel; and that he waited outside two hours. He placed that as in the spring of 1916.

Senator WOLCOTT. When did Bolo return to France?

Mr. BECKER. On the 17th of March, 1916.

Senator WOLCOTT. Did he come back again?

Mr. BECKER. Never. He was here in 1914 and again in 1916, and never returned and never will.

An elevator boy named A. P. Gazzola, at 137 Riverside Drive, testified that Bernstorff and Bolo were known to him; that the boys employed in the building had nicknamed them; that they called Bernstorff the "Duke de la Brew" and Bolo the "Duke de la Caw"; and that on one occasion he recalled Bolo and Bernstorff were there together, and he estimated that Bolo was there four or five times in the evening.

Another elevator boy named P. Gragnola testified that he was in the United States Army; that he was the one that nicknamed Bernstorff the "Duke de la Brew" and Bolo the "Duke de la Caw"; that Bolo came there with Bernstorff once, to his recollection, and that there had been a dispute between Bernstorff and some of the em-

ployees as to whether he should be allowed to enter the Hearst apartments and go up to the Hearst suite in the Hearst apartments—and when I say “Hearst Apartments” I mean the building which belongs to Mr. Hearst—without being announced; that that was what Bernstorff desired.

The switchboard operator, G. A. Butler, also in the United States Army, testified that Bernstorff was in the habit of trying to get in unannounced, or at least, that there was this incident to which I have just referred.

An elevator boy named W. Heupel testified that he remembered taking Bernstorff up in the elevator. He was employed there from April, 1915, to January, 1916.

Then there was some testimony given by a janitor who had been employed there, named C. H. Jerome.

The testimony of these witnesses, with the exception of that of Gragnola, Butler, and Heupel, which has been taken more recently, was published in the papers in response to a challenge by Mr. Hearst to the attorney general to produce anything that could connect him with Bolo; and among the affidavits so published was that of C. H. Jerome. Mr. Hearst afterwards discovered proof that Jerome was a convict, and printed for many days cartoons and pictures of Jerome as a convict.

Senator KING. Was he a convict?

Mr. BECKER. Undoubtedly. I am perfectly willing to omit any reference to Mr. Jerome, for that reason; although that does not mean that I consider his testimony untruthful.

Senator STERLING. Mr. Becker, did you personally examine and take the testimony of these several witnesses?

Mr. BECKER. Yes; I did.

Senator STERLING. And it was reduced to writing and subscribed and sworn to?

Mr. BECKER. In each case.

Senator STERLING. In each case?

Mr. BECKER. Yes. I have the depositions here and I could read them in full, if it were desired. Suppose I read one as an example?

Senator KING. Are they made evidence, under the New York State law?

Mr. BECKER. Yes; they were taken in the Charles Humbert case, because this was all in an endeavor to fathom the depths of the Bolo conspiracy. I am afraid if I were to explain, I would transgress the rule that has been laid down. Perhaps you will forgive me if I do, very briefly?

Humbert was accused of complicity in the Bolo affairs. It seemed to us very strange that Bolo should come to this country, and that there should be an immediate communication with the Germany Embassy. It looked like prearrangement, although Pavenstedt denies that, so far as he is concerned. Therefore, the question arose: Was there some intermediary, other than Pavenstedt, between Bolo and Bernstorff? Was there some other means by which was discussed the manner in which this defeatist propaganda was going to be conducted? It seemed so unlikely that Bernstorff would recommend the giving of 10,000,000 francs, as they were given, to a man that he had never met and whose name, according to Pavenstedt, he did not even know. It seemed as if there must have been a closer connec-

tion in some way between Bolo and Bernstorff in this country: and it did not seem likely it was through Pavenstedt. The question was when, where, and how it was, and it was in an endeavor to throw some light upon that problem that this investigation was made and these depositions were taken.

Senator WOLCOTT. Let me ask you if the theory was evolved that Mr. Hearst was the man?

Mr. BECKER. It was considered a probable theory. I will say frankly I do not regard it as proved, by any means.

Senator WOLCOTT. I was about to say, myself, that from what you have produced here before the committee, it does not look as though it were at all possible, because there was no time fixed when Mr. Hearst and Bolo and Bernstorff were seeing each other from time to time. There was a string of visits, apparently, if these depositions and affidavits are true. Yet the fact is that within some four or five days after the arrival of Bolo, Bernstorff had O. K.'d the scheme and was wiring for the money, so it did not require all this long series of visits, and they could not have had anything to do with that very rapid action by Count von Bernstorff.

Senator NELSON. It might have related to the way they were to handle the funds around in this country.

Mr. BECKER. It might have related to the form the defeatist propaganda was to take in France, but that is purely speculation: and I want to be very careful to say that I do not regard the case as proved, but these are facts which I think proper for the committee to understand in relation to the connections in America.

Now, just as a sample, I will read the whole statement of Primus Gragnola.

Senator KING. Have you any evidence that Pacha and Bernstorff had not met in years gone by?

Mr. BECKER. The evidence of Bertelli that he was the one who introduced them.

Senator KING. But aside from that you do not know what their acquaintance or relations were prior to that?

Mr. BECKER. Well, I have Mr. Hearst's word for it that there were no such relations.

Senator KING. I said between Bernstorff and Bolo.

Mr. BECKER. Oh, I beg your pardon. As between Bolo and Bernstorff there is no proof of any prior connection, but, of course, it was fully proved in the trial of Bolo that he had received a large sum of money in 1915 for Defeatist propaganda in France through Switzerland and through Abbas Hilmi, the former Khedive of Egypt.

Senator KING. Do you know what the relations were between Bolo Pacha and Mr. Bernstorff in 1914, or prior to that time?

Mr. BECKER. I do not think there were any.

Senator KING. Do you know as to that?

Mr. BECKER. Every possible inference points to there having been none.

Senator NELSON. Go on and read the deposition.

Mr. BECKER. This is the deposition of Primus Gragnola [reading]

BECKER EXHIBIT No. 13.

Primus Gragnola, being duly sworn, deposes and says:

"I am a private in the United States Guards, stationed at Fort Adams, and have been in the service since April 29, 1918.

"I was employed at the Hearst apartment, known as the 'Clarendon,' at the southeast corner of 86th street and Riverside Drive from October, 1915 to about June, 1916. My regular duties were as elevator boy on the freight elevator, but from time to time I also acted as doorman and switchboard operator when the regular doorman and switchboard operator were absent. I recognize Exhibits 1, 2 and 3 as photographs of the German Ambassador, Count von Bernstorff. I saw him come to the Clarendon Apartments five or six times. After the fourth time I nicknamed him the 'Duke de la Brew.' Each time when von Bernstorff called, he called to see Mr. Hearst, and I remember that he requested to be allowed to go up without being announced, and that I told him it was the rule of the house that no one could go up without being announced. A little later, George Thompson, Mr. Hearst's butler, informed me that it was all right to allow the German ambassador to come to the Hearst apartment without being announced.

"I have examined also photographs 4 and 5. These are the pictures of a man whom I nicknamed the 'Duke de la Caw.' His real name was Bolo Pacha. I remember distinctly that on one occasion this latter gentleman came with Von Bernstorff. They requested not to be announced. I asked the names, and was requested to announce that the German ambassador and Bolo Pacha wished to see Mr. Hearst. After I announced them over the telephone, they went up in the elevator to the Hearst apartment.

"I saw Bolo Pacha come to the house two or three times. It was always during the day when I saw Bernstorff and Bolo Pacha come, as I did not usually do night duty.

"I remember that George Butler was off duty on the occasion when Bolo Pacha and Bernstorff came together.

"Sometime after the call of Bolo Pacha and Count Bernstorff, there was a fancy-dress ball. Gazzola and I had to work all night. I took some of the guests down on the elevator about four o'clock. The next day we brought down a couple of barrels of empty champagne bottles.

"The bridge running from the top of the Clarendon Apartment to the Netherlands Apartment I have often seen, but I don't know by whom it was used. On two occasions I was called to the Hearst apartment by the buzzer on the freight elevator, and took Mr. Hearst down to the basement because there were process servers waiting to serve him, whom he wished to avoid."

Subscribed and sworn to this 19th day of August, 1918.

Senator WOLCOTT. He does not fix in that affidavit the time when Bolo Pasha and Count von Bernstorff called together, does he? As I gather from the affidavit, he saw them call only once, and the time is not fixed?

Mr. BECKER. Well, it is fixed only to the extent that he says he was employed there about six months prior to May, 1916.

Senator WOLCOTT. That does not fix it at all. It would be very material to know whether they called before or after Bernstorff had wired for this money.

Mr. BECKER. Yes; but of course, at this distance you can not expect bell boys, who did not keep any diaries, to remember dates like that. If they did, I would distrust them very much.

Senator WOLCOTT. I am criticizing the value of the evidence.

Senator OVERMAN. Proceed, Mr. Becker.

Mr. BECKER. After all, except the last three, of these depositions were given to the public, Mr. Hearst printed various denials, of which cognizance should be taken. Unfortunately, I have not here the clippings from his papers with the denials; but, in substance, his contention was that he never had seen Bolo and Bernstorff together; that Bolo had been to his house only once or twice; once, I think, to see Mrs. Hearst; that he met Bernstorff there only as he met other representatives of foreign powers, and that the affidavits were plainly perjured evidence.

Senator STERLING. Mr. Becker, do you recall the personal appearance of these various witnesses before you—these chauffeurs and elevator boys?

Mr. BECKER. Yes.

Senator STERLING. What can you say as to their ages, as a rule?

Mr. BECKER. Well, most of them were in their twenties. They were of draft age, and several of them were in the Army—three or four. They were of that class. Am I called upon to give a judgment as to the value of their testimony?

Senator OVERMAN. I should think not. Do you want to ask that question, Senator?

Mr. BECKER. I am perfectly willing to do it.

Senator STERLING. I did not intend to ask such a question.

Senator OVERMAN. I do not think that would be proper.

Senator KING. One of those dates you gave by recollection. Pasha came to this country on what date?

Mr. BECKER. February 22.

Senator KING. And, then, a day or two thereafter, as I recall your testimony, Pavenstedt was here?

Mr. BECKER. Pavenstedt was here on the 24th of February. Bolo arrived in the evening of the 22d; probably at 5 or 6 o'clock in the afternoon.

Senator KING. And Bolo had seen Pavenstedt before Pavenstedt came here?

Mr. BECKER. Pavenstedt, yes.

Senator KING. And was it from here that Bernstorff sent the telegram concerning the money to Von Jagow?

Mr. BECKER. Yes.

Senator WOLCOTT. What was the date of that telegram?

Mr. BECKER. The 26th of February.

Senator WOLCOTT. Four days after Bolo arrived?

Mr. BECKER. On March 3 Von Bernstorff arrived in New York and was there for several days.

Senator WOLCOTT. Do you know whether or not that was the first trip of Bernstorff to New York since February 24?

Mr. BECKER. It was. He was not in New York between the 22d of February and the 3d of March. At least, he was not stopping at the Ritz-Carlton, where he usually stopped; and I have the references showing the dates when he was at that hotel.

Senator WOLCOTT. Then, if Mr. Hearst had anything to do with inducing Count von Bernstorff to embark upon this enterprise, Mr. Hearst had to meet him somewhere other than New York?

Mr. BECKER. Well, I really dislike to enter into an argument about the tendency of the evidence, but might I just suggest that the purpose of this inquiry was to ascertain if there was a prearrangement before Bolo came to this country?

Senator WOLCOTT. Yes; and you have stated to this committee that the supposition was that probably Mr. Hearst might have been a party to that prearrangement; and I understand the purpose of the investigation of these employees at the Hearst apartment was to ascertain whether or not Bernstorff was in touch with Mr. Hearst, and whether this scheme might have been discussed between them. That is the inference from your testimony.

Mr. BECKER. In these matters it is necessary to be so very careful, but I will be very explicit about it. We considered it as a possible or probable theory that Mr. Hearst was the intermediary who prearranged the coming of Bolo to America, and our reason for thinking it a possible or probable theory only, subject to investigation, was that we had known for a long time that as soon as Bolo returned to France he took up the matter of establishing an interchange of cable service between the Paris Journal and the Hearst papers—the International News Service. That was solely the ground for considering it as a probable theory only.

Senator WOLCOTT. Of course, it was all right to investigate and run that theory down.

Mr. BECKER. Then we ran the theory down, on the supposition that possibly it was Hearst who arranged, long before Bolo came to America, with Bernstorff that he should come, and that the proposition should be put through; because, so far as Bernstorff was concerned, you see, it was put through in very short order.

Senator WOLCOTT. Very short order.

Senator REED. Does he make that as an assertion?

Mr. BECKER. I make no such assertion, and I make no such charge, and I do not say that I consider it a theory in any sense established.

Senator WOLCOTT. Is there any evidence, other than these visits of Bernstorff to the Hearst apartment, that has to do with relations between Bernstorff and Hearst about this time? Have you any evidence on that point further than what you have given?

Mr. BECKER. About this time, no.

Senator WOLCOTT. Or shortly thereafter?

Mr. BECKER. No.

Senator WOLCOTT. I want to say that there is nothing in this evidence to sustain the probable theory, in my judgment.

Senator NELSON. Had we not better wait until after we have heard the testimony, to pronounce our opinions?

Senator WOLCOTT. You may wait as long as you wish, but I want to express my opinion right now.

Mr. BECKER. My opinion is that the burden of proof is not sustained by any evidence we have obtained up to this time.

Senator OVERMAN. I understand he says it has not been proven, and he does not make any charge at all. Go ahead with your statement, Mr. Becker.

Senator NELSON. Yes: let him go on and make his statement.

Senator WOLCOTT. If I may say, Mr. Chairman, I do not want to interrupt the testimony of Mr. Becker, and I do not want to be in the position of seeming to argue with him; but the fact of the matter is that what is said in this hearing here is given great publicity, and I consider it a most serious thing to any man, whoever he be, if there is the slightest imputation upon his fidelity to this country; and I feel that, as the testimony is given, I want to express my view of it then and there, as to the strength of the testimony bearing on that very serious thing. If Mr. Hearst can be shown to have been in any way improperly connected with these things, I would be the first in the world to condemn him; and conversely, the first to acquit him.

Senator OVERMAN. Well, you have brought out the fact that he was not connected with the matter.

Senator WOLCOTT. I think I have; yes.

Mr. BECKER. My purpose in presenting this is not solely with respect to the Bolo case, but there has been a great deal of evidence given at the hearings—some of which I read in the minutes and some in apparently fair newspaper reports—which bears upon the activities of Mr. Hearst; and in order that the matter might be judged upon the whole record made from the beginning of the hearings, by the public as well as by the committee, I have thought it proper to present evidence such as we have, without regard to the question of whether adequate or inadequate, as forming part of the complete record.

Senator STERLING. It is in that view of the case, Mr. Chairman, that I have thought all this evidence material, whether it tends to show a conspiracy between Mr. Hearst and Bolo Pacha or not. It is along the same line as the evidence we have been receiving here ever since these hearings began. It has taken that scope.

Mr. BECKER. I will read a letter written by Bolo Pacha to Madame Barrientos in this connection. It appears from the records that on the date of his arrival, February 22, he sent her a card, of which this is a photograph [exhibiting paper]. At least, that is the inference from certain records of messages, and so on, and is generally sustained by her testimony. The card, translated, reads about as follows:

Bolo Pacha places his respectful homage at the feet of the great artist, and will do himself the pleasure of calling upon her and giving her confidentially news of her friends. Hotel Plaza.

Then here is a letter dated the Plaza, New York, Tuesday morning [reading]:

BECKER EXHIBIT No. 14.

DEAR MADAM: The address of the wife of my friend is Mrs. Millicent Hearst, 137 Riverside Drive. Do not fail, after your voyage to Paris, to look me up. I will have made some articles which will precede you at Buenos Aires, although you have no need thereof, your immense talent putting you at the head of all the voices heard in this day. Nevertheless, not being able to do anything else for you to be agreeable, I beg leave to offer what is in my power, and do so with all my heart. Asking you to permit me to place at your feet the homage of great admiration.

BOLO PACHA.

Now, I have here the different checks, cables, etc., by which the actual payment was accomplished.

Senator NELSON. Is there any objection to your briefly stating how it was done, in a nutshell?

Mr. BECKER. I think that is much wiser than to go into it in exhaustive detail, offering each photograph in evidence. It amounts to this: There was the sum of 10,000,000 francs, or about 9,000,000 marks, or, in United States money, as converted, \$1,683,500. That sum was transferred by the Reichs Bank, in Berlin, to the credit of the Deutsche Bank.

Senator NELSON. The Deutsche Bank—was that a bank in this country?

Mr. BECKER. The Deutsche Bank is one of the largest banks in Germany. Hugo Schmidt, to whom I will refer in a few moments, was during the war the German representative in America of the Deutsche Bank. The funds were handled through Hugo Schmidt. They were first placed by the Reichs Bank, which carried the account.

of the Imperial Government, in the Deutsche Bank and then a few hundred thousand dollars at a time; there were messages sent to Hugo Schmidt authorizing him to draw upon the credit of the bank with the Guaranty Trust Co., in New York, for the purpose of making deposits with G. Amsinck & Co. of like amounts, the money merely passing through Amsinck & Co., but it did not stay there at all, and went on to the Royal Bank of Canada in the shape of cashier's checks drawn by the cashier of G. Amsinck & Co. The checks and vouchers with G. Amsinck & Co. disclosed that it was money of the Deutsche Bank deposited with G. Amsinck & Co., but the cashier's checks of G. Amsinck & Co. simply disclosed that it was money of Paul Bolo Pacha to be deposited with the Royal Bank of Canada, the German taint being thus completely extracted.

Some of the money was deposited to the credit of Charles Humbert with J. P. Morgan & Co. Some other part of the money was sent to the credit of Madame Bolo by the Royal Bank of Canada, owing to Bolo's directions.

Senator STERLING. Where is the Royal Bank of Canada?

Mr. BECKER. In Montreal, I believe; but it has a New York branch, and all these transactions were by the New York branch. It appeared by the evidence at the Bolo trial, according to the reports, that of all this sum of money \$1,100,000 only, leaving 500,000 aside, was invested in the Paris Journal, 170,000 francs invested in Le Rappel, 3,000,000 francs in a Spanish shipping company with headquarters at Barcelona, and 1,475,000 francs in a great munitions-making plant just outside of Paris. Five thousand dollars, I have already stated was given to Jules Bois; and that is the actual disposition of the German money from which, so far as anybody has been able to discover, Germany never received a penny's worth of benefit.

Senator KING. Was the policy of Le Journal changed?

Mr. BECKER. Only to the extent of publishing a laudatory article on William R. Hearst.

Senator KING. Was the policy changed?

Mr. BECKER. That is the only sign of any influence on Le Journal.

Senator KING. Was the policy toward the war changed?

Mr. BECKER. Not at all. The only sign of any influence being exerted on it in any way that could possibly be construed as a German influence was the publication on the 6th of May, 1916.

Senator KING. But it is still a French paper?

Mr. BECKER. It remained in other respects, so far as anybody can discover, just the same as before and just as much given to the protection of Senator Humbert as it ever had been.

Senator WOLCOTT. So far as material results are concerned, the Germans had their legs pulled?

Mr. BECKER. They got swindled; and if it is true that the previous purchase of Le Journal for something like a similar amount—for \$1,000,000—with money furnished by the Leboeller family from Switzerland, was a German purchase, then you can say that the Germans bought the Paris Journal twice and never got any benefit of it.

Senator KING. It was always loyal to the cause of France and the war?

Mr. BECKER. Yes. One of the things that you gain from this stuff is the absolute futility of 95 per cent of it.

Senator KING. Does it not look as though Bolo Pacha was robbing the German Reichsbank of its money, and in that respect helping France?

Mr. BECKER. He was never courageous enough on his trial to make that claim, but it looks that way.

Senator KING. Was there any evidence tending to show that Bolo Pacha attempted to influence the policy of Le Journal against France upon either of these occasions?

Mr. BECKER. On the trial of Bolo the only things that proved the French Government's claim of anything of that sort was the fulsome account about Hearst, who was in very bad odor at that time with the French Government and, secondly, the attempt to create this interchange of news service by cable between the Hearst papers and Le Journal.

Senator KING. You do not answer my question. Is there anything to indicate that Bolo Pacha attempted to influence the policy of the paper against France in the prosecution of the war?

Mr. BECKER. Only that; and that has a tendency, according to the French claim, to show that.

Senator KING. It is possible to determine. Were there any articles written against France in the paper after Bolo Pacha took it?

Mr. BECKER. None whatever, as I have already stated.

Senator KING. Any weakening of the efforts of the Journal after the purchase, and of her fearless advocacy of the rights of the allies?

Mr. BECKER. None whatever. It was a pure swindle as far as the Germans were concerned.

Senator REED. I would like the permission of the committee to ask a question, because it would perhaps save going back over it again.

Senator OVERMAN. Senator Reed being a member of the Judiciary Committee, of which this is a subcommittee, will be permitted to ask questions.

Senator REED. You have just said that in the judgment of the French the mere fact of the publication of an article laudatory of Mr. Hearst was evidence that this paper was pro-German. What Frenchman representing the French Government has said that; and if so, have you the document?

Mr. BECKER. I have a synopsis of the trial of Bolo, and it is not quite complete. Some parts are not here. I am not sure this part is in what I have or not. The substance of the claim was this, which was made by Lieut. Mornet, who was, so to speak, the district attorney or prosecuting officer on the trial of Bolo. I think he is now Capt. Mornet.

Senator REED. Have you what he said there?

Mr. BECKER. I have carried it in my memory.

Senator REED. Have you what he said?

Mr. BECKER. I am not sure. I think so.

Senator REED. If you have what he said, that is what I would like to see.

Mr. BECKER. I would prefer to wait until to-morrow, if I may, and I will hunt it up. The trial is that thick [indicating]. It is a very long trial.

Senator REED. Thank you.

Senator OVERMAN. Proceed.

Mr. BECKER. I think that I have practically completed the statement with reference to the Bolo case. It might be added, to sum up the statement, that Bolo was tried in France, convicted and executed, and that the charges on which he was tried were, first, those connected with his dealings through Switzerland, and, secondly, those connected with his dealings in New York. Subsequently Senator Humbert has been accused of complicity in the same offenses, as well as other matters that are charged against him, and he is awaiting trial.

Now, with reference to some of the individuals.

Senator OVERMAN. Bolo was examined on the stand?

Mr. BECKER. Yes.

Senator OVERMAN. What was his defense?

Mr. BECKER. Bolo's defense was that these funds that he received were moneys that he had made out of profitable speculations in the past, which had been deposited by him with a bank, possibly in Antwerp; at any rate, in one of the cities of Belgium, which was under the control of the Germans at that time; that those funds had subsequently been transferred to G. Amsinck & Co.—from Antwerp to Berlin and from Berlin to New York to Amsinck & Co.—and that they had been withdrawn from Amsinck and taken to Paris for his own use; that the reason they had come to Berlin was that they were locked up in Antwerp, and that he could only get them out through Berlin. That was his theory.

Senator KING. While it is not relevant, what did the testimony show as to that munitions factory? My recollection is that the testimony shows that that munitions factory—that part of this money was invested in that munitions factory, and that it was doing fairly good work in making munitions for the French Army.

Mr. BECKER. Yes; no doubt of it.

Senator KING. So that the money—part of it—was utilized for the making of powder and shells, and so on, to aid the French. What did it show with respect to the 3,000,000 francs invested in Spanish shipping? Was that shipping to engage in the cause of aiding the allies?

Mr. BECKER. In part. The story of the Spanish shipping proposition is very interesting, and I know quite a little about it, but it would not be worth while to take it up now.

Senator STERLING. As against the claim of Bolo that this was his own money, which he had made through various investments, there was the evidence furnished from this side and the evidence of Bernstorff's cablegram, etc., directing the money to be furnished?

Mr. BECKER. Yes. It might be desirable to call attention, for the purpose of public record, to a singular error that occurred in this country as to one of those messages that I have not read.

Senator WOLCOTT. Have you left Bolo yet?

Mr. BECKER. Not quite. On March 20, 1916, which, according to the best of my recollection now, was after the first remittance had come through by wireless, the following dispatch was sent by Bernstorff to his home office:

BECKER EXHIBIT No. 15.

No. 692. With reference to telegram No. 685, please advise our Minister in Berne that some one will call on him who will give him the password Saint Regis and who wishes to establish relations with the foreign office. Inter-

mediary further requests that influence may be brought to bear upon our press to pass over the change in the inner political situation in France so far as possible in silence, in order that things may not be spoiled by German approval.

BERNSTORFF.

Pavenstedt stated, about that request of the intermediary, as follows:

Yes, this password was at Bolo's request. It was given by me to Count Bernstorff, in case he should later on wish to get in contact with German officials or Germany at the Berne Embassy, that he would be received—that he had something to show. He said it might be necessary for him at some future date to get in contact with the German foreign office, and that he would go to Switzerland—to Berne—and we had the German Embassy there and he wished to have something to identify him, that he was all right. I mean that he was a person that could be trusted. He had been in contact with me here and it shows this word St. Regis which I told Bernstorff about, and he cabled it over.

Senator STERLING. What do you read from?

Mr. BECKER. From the deposition of Pavenstedt, which was used on the trial of Bolo.

Now, here is the last one of the series, and it was given out by the State Department and used upon the trial of Bolo, in the following form. It was in the form of a cablegram from Herr von Jagow, addressed to Bernstorff, No. 206, May 31, 1916:

The person announced in telegram 692 of March 20 has not yet reported himself at the legation in Berne. Is there any more news on your side of Bolo?

That, you will note, was the only place in the series of messages as given out by the State Department that the name of Bolo actually appeared. On the trial it was used in evidence by the French Government in that form. After the trial the French Government came into information, I think, from the State Department, showing that there had been an error in deciphering the message, which, of course, was sent in the cipher code, and that the name Bolo did not actually appear at the end of that message at all. The group was obscure as to what it did mean, but it was finally determined by the cipher expert of the State Department that it did not mean Bolo. With a high-mindedness that surely does credit to the French Government—Bolo had already been convicted and sentenced to death—Bolo's counsel was informed of that error by the State Department here, and had full advantage of the fact on appeal. But the substance of the decision of the appellate court was that the evidence was so strong against Bolo that even subtracting that identification of him in the series of telegrams, his conviction should be sustained.

Senator WOLCOTT. Now, Mr. Becker, on the trial of Bolo was there evidence put in against him other than his connection with this German purchase of Le Journal in this country?

Mr. BECKER. The whole Swiss episode was gone into in connection with Cavallini, who was the intermediary acting with Bolo and with Abbas Hilmi, who brought Bolo 1,000,000 francs in 1915 from German sources, and who also distributed money, as was claimed, to various Italian deputies.

Senator WOLCOTT. I asked the question as to whether he was convicted, as you have detailed here, in connection with the various journal purchases more out of curiosity than anything else.

Mr. BECKER. I think it would be fair to state that the evidence of Pavenstedt, the evidence of Hugo Schmidt, and the evidence of the

messages passing between Washington and Berlin, and the evidence of the documents themselves tracing money direct from the foreign office in Berlin to the pocket of Bolo, were considered in the French court the most conclusive evidence that was presented to them.

Senator KING. I suppose the evidence concerning the Swiss transaction showed that he had received a large sum of German money from Abbas Hilmi to whom you have referred.

Mr. BECKER. But that all rested more in word of mouth than it did in documents. Of course, the damning thing against Bolo was the series of documents sent over from public and private records.

Senator STERLING. You spoke about the use of Swiss money in Italy. Was that for the purpose of influencing Italian deputies? I understood you to say so.

Mr. BECKER. There is a fund that is alleged to have been given to Cavallini to influence Italian deputies and Italian newspapers, but that has not been demonstrated in any court, and I am very careful, unless we have the sworn testimony, not to refer to anything in a positive way.

Senator STERLING. I did not know whether that was introduced in the trial of Bolo or not.

Mr. BECKER. There was considerable evidence there, and Cavallini was tried with Bolo. Under the French procedure that was possible, for him to be tried *par contumace*—tried by default. He was tried by default and condemned to death. The sentence in his case has never been executed.

Senator OVERMAN. Are you through with the Bolo incident?

Mr. BECKER. Just one other statement with reference to that. Bolo met in America, unquestionably, many people. We have traced a good many contacts of that sort, but I would like to state positively that there is no evidence to connect him in any guilty contact; that is, the persons with whom he was in contact did not know what his real mission was, except in the case of Pavenstadt, unless you judge for yourselves that the evidence of the chauffeurs and bell-hops at the apartment is credible, and that it is sustained by other evidence. That is a matter of opinion and I am not going to express any opinion about it.

(Thereupon at 1 o'clock p. m., the subcommittee took a recess until 2.30 o'clock p. m.)

AFTER RECESS.

The subcommittee met, pursuant to the taking of the recess, at 2.30 o'clock p. m.

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Senator OVERMAN. Please proceed, Mr. Becker.

Mr. BECKER. We have the deposition of a gentleman who requests that he remain nameless. I shall very gladly follow Mr. Untermyer's example of handing the chairman his name on a slip of paper. He was sworn before the Attorney General—Mr. B.—and is a sort of a broker in New York. His deposition is in part, as follows:

Q. You have personal acquaintance with Count von Bernstorff?—A. Yes.

Q. When did you become acquainted with him?—A. In the summer and fall of 1914.

Q. Before the war broke out or after?—A. I am under the impression that I met him in the summer before the war broke out.

Q. Do you remember where you were at the time you met him—A. It was at the apartment of A. S. White at the Ritz Carlton, where the count frequently called. The principal place I got acquainted with him was at the White Pine Camp, in the Adirondacks, at Paul Smith's; it was the holiday time of 1914.

Q. After the war broke out?—A. Yes.

Q. Who was present at that holiday party?—A. Well, there was McCombs—

Q. Chairman of the National Committee?—A. Yes, and Count von Bernstorff and three or four other men. I have forgotten who they were, one was a young Englishman.

Q. That was Mr. White's camp?—A. Yes.

Q. And the count was there?—A. Yes.

Q. And seven or eight people in the party?—A. There must have been about 12, I should say.

Q. You got particularly well acquainted with the count, then?—A. Yes; we spent considerable time together each day. It so happened that an extremely cold snap came along, and we naturally kept where it was warm. Besides the large salon there are half a dozen or more cabins at the camp, and there was an inclination for those with things in common to chat in each other's cabins. Mr. McCombs, the count, and myself seemed to spend more time together than anyone else; perhaps we were more or less interested in Governmental affairs.

Q. Then he was in your cabin considerably?—A. Yes; we were together three or four hours at a time—Von Bernstorff is an extremely good mixer. Most everyone was calling him "Hans" within a couple of days. He talked to us in a very reasonable manner; that is to say, he felt that it was a pity that England and Germany should be fighting; and, personally, he seemed to regret it very much, as most of his friends were Englishmen or Americans.

Q. Did you say that he was educated in England?—A. I believe he studied at Oxford, and he said that his best friends in the world were English-speaking people; and, you know, he aped the English in his dress, and the Germans here felt somewhat slighted because he never went with Germans, and his argument was, "I was not sent here to meet Germans, I came here to cater to you people."

Q. Was the talk on some of the days that you were there on the subject of the German view being put before the public in the papers in the country?—A. Yes.

Q. Tell us just what was said on that, as well as you can recollect it—A. We were talking of the New York papers, and I made the remark that most of our papers here were very high-minded; for instance, if you wanted to put out a security of a new corporation, which was not tried out, and you should give the New York Sun an advertisement conditional upon there being a news item in their financial column, which is worth more than any advertisement, they wouldn't do it without a thorough investigation, and they would notify you that if their advertisement depended on that, you couldn't get it in, and I remarked that there were only two papers in New York City that I believed could be bought, and those were the Hearst papers and the Mail.

Senator OVERMAN. That is an opinion of this fellow who said that!

Mr. BECKER. This is the report of a conversation between this man and Bernstorff at this camp in the Adirondacks.

Senator REED. Is it put in here to prove some fact against a man?

Senator OVERMAN. What is the purpose of this?

Mr. BECKER. To inform the committee and the country.

Senator REED. Similar to the kind of information you gave when you were running for office and were using the——

Senator OVERMAN. Let us wait, about that. Let us find out about this first. You can examine later, Senator.

Senator REED. I think it is time, and I am going to make a direct objection, as a member of the Judiciary Committee, against that kind of a statement being made here, because it is an abuse, in my judgment, of the privileges of the committee to relate a conversation between an undisclosed man and Count von Bernstorff, in the pine

woods of some State, in regard to another man who was not present, and without stating who the man was.

Senator NELSON. He is ready to give his name to the committee, as I understand it, privately.

Senator REED. Suppose he does give the name, privately, of a man who said that he said to Count von Bernstorff thus and so in regard to a man? Is that evidence in any sense? It is for this committee to say. I am here by sufferance, except that I am a member of the Judiciary Committee and I am here in that capacity. I have become curious enough about these proceedings to want to hear them.

Mr. BECKER. This deposition was taken about a year ago.

Senator OVERMAN. In connection with what?

Mr. BECKER. In connection with the Humbert case, I think, or the Bolo case; one or the other. It appears, on the front page of the deposition, which it was.

Senator WOLCOTT. Senator, I do not know what the substance of the matter is at all. I just dropped in here, but——

Senator OVERMAN. I understand that this was an affidavit taken in connection with Humbert, who was Senator Humbert of the French Journal.

Mr. BECKER. Let me refresh my recollection, if you please. It appears on the deposition. What, Senator, does it state on the front—the Bolo case or the Humbert case?

Senator WOLCOTT. It is in the matter of the inquiry as to Charles Humbert, Pierre Lenoir, and Guillaume Desouches.

Senator KING. As I understand, it relates to a statement said to have been made by Count von Bernstorff in 1914?

Senator REED. Let me correct you, Senator. This is where I objected. You can call it an objection if you want to. This witness was proceeding to read an affidavit which professed to relate to a conversation between this unknown person who makes the affidavit and Count von Bernstorff, somewhere in the pine woods, in which reflection was made upon people who were not there at all; and, of course, it is the veriest hearsay; and, of course, it was a mere statement of one man to another about another.

It seems to me when the processes of the Senate are used to bring out that kind of testimony, it simply becomes a scandal mill; that is all. No man can meet that sort of thing. I might express an opinion about this witness in a conversation a thousand miles from here, or in the next room, and it might be very derogatory to him. It might be very indecent for me to do it. Then, to have that afterwards brought into a court, or before a committee, and have it said that Reed said concerning Mr. Becker so-and-so, at a certain time, would be very unfair to Mr. Becker.

Senator KING. Suppose I should say, Mr. Becker, that I believed that John Jones, some lawyer in New York, could be bribed or induced to take up some malodorous case or do some act that was improper—no contention that he had, or that any effort had ever been made—and suppose that he was not the subject of investigation. Do you think that would be competent or proper? Would it not be doing a great injustice to that man, John Jones, of whom I spoke?

If, however, the investigation were as to whether or not he had been bribed to do this act, this proposed proof would be admissible,

of the statement made, if the party who made the statement was the one who acted, and the statement were proved to be correct by the consummated act.

I just suggest that, if there is not a parallel between the case I just suggested and the proposed testimony?

Mr. BECKER. Do you ask me for a suggestion or an opinion about that, Senator?

Senator KING. Is not that a parallel case?

Mr. BECKER. I am not anybody's lawyer here.

Senator KING. I know you are not, but——

Mr. BECKER. Neither for nor against Hearst or von Bernstorff or anybody else. I am only a witness, just the same as you gentlemen are only Senators. But the point about this is not so much what Mr. Hearst was up to as what von Bernstorff was up to, which is the primary subject of the inquiry.

Senator KING. I do not know to whom this refers, so I am not calling anybody's name.

Senator STERLING. I have just come in. What is this about?

Senator OVERMAN. A suggestion by von Bernstorff that certain newspapers could be bought.

Senator NELSON. This relates to von Bernstorff.

Senator OVERMAN. What do you think about it, Senator?

Senator WOLCOTT. I do not think it is proper to be admitted at all. I think it is perfectly proper for the witness to disclose, if he knows—and I think he does—that von Bernstorff was trying to find avenues of approach to the American public through some newspapers; but for comments made to von Bernstorff by this man, that man, and the other man, or comments made by von Bernstorff to people in this country, to be offered, it seems to me is improper. The material thing is his efforts to get at the public press.

Senator NELSON. You have not given the rest of the deposition. Mr. Becker. Is there not something else in the deposition here to indicate that von Bernstorff wanted to secure an opening in the press for his propaganda?

Mr. BECKER. The deposition goes on for two or three pages further, and there is more about it; but, of course, now that the objection is made, I am not permitted to discuss what is in it.

Senator NELSON. I am asking you that because if this leads up to the other matter—that von Bernstorff intended to secure papers in this country for his propaganda—then it is material.

Mr. BECKER. It does.

Senator REED. Nobody in the world would object to that, I think.

Senator WOLCOTT. That is material. I quite agree that it is very material to know that Count von Bernstorff was interesting himself to secure papers.

Senator KING. Yes.

Senator WOLCOTT. But his theory, or the information given to him that he might secure certain papers, or bribe certain papers, is not material unless it can be followed, to show that he did get them.

Senator NELSON. Or tried to get them.

Senator WOLCOTT. And failed. That was, of course, beneficial to the paper in question.

Senator REED. The question I objected to was a statement by this witness that he said that certain men could be approached. That

ought not to be admitted against any man on earth, I do not care whether he is good or bad—that sort of statement. But the fact that von Bernstorff was trying to bribe papers in America is a perfectly proper thing, and can be proven without employing the means of an affidavit for the purpose of slandering an individual——

Mr. BECKER. I am not bringing anything here for the purpose of slandering anybody. I can interrupt even a Senator to say that.

Senator REED. Certainly you can. I have not said you are.

Mr. BECKER. I think you have stated that I brought these things out in my campaign and that sort of thing; and I resent it and deny it.

Senator REED. We will accept that challenge and take it up at the proper time, as to whether you brought them out in your campaign, and whether your chief brought them out in his campaign. However, that is neither here nor there. The point I am making is that it is perfectly proper to show anything that Count Bernstorff did. I believe Count Bernstorff tried to use money in this country to control the press, as far as he could use it. I do not think he got very far with our press. I hope he did not get anywhere at all. But he may have gotten some papers.

However, the point is that this is brought in here, and men's names are brought in and a statement is allowed to be read that somebody made up in the pine woods of Michigan or some other place about them. By that means you can destroy the character of any man on earth.

Senator NELSON. I suggest that we go into executive session to pass on this question.

Senator OVERMAN. Yes. Will you point out, Mr. Becker, where you were interrupted in reading this deposition?

Mr. BECKER. It was just at the top of page 6.

I would like to call your attention, in this connection, to the subsequent conversation that is referred to later.

Senator OVERMAN. That is what I was trying to get at—the subsequent conversation.

Mr. BECKER. May I make this statement also? There is a reference here, that I did not intend to read, to a transaction or an alleged transaction of \$200,000. It is only a rumor. It was never substantiated, so I had no intention of reading it.

Senator OVERMAN. I would like to see the connection.

Mr. BECKER. I will show the part I refer to. It is on page 7.

Senator OVERMAN. Thank you. I want to read that to the committee.

Mr. BECKER. That is about as far as it should be read.

(At this point, at 2.35 o'clock p. m., the subcommittee went into executive session. At 2.55 o'clock p. m. the subcommittee resumed the public hearing.)

Senator OVERMAN. It is going to be a hard task for you to read this affidavit so as to give what we want and leave out what we do not want; but, if you can, I wish you would do it. We do not want anything read that gives the opinion of the witness as to whether a man could be bought or could not be bought, or whether his newspaper could be bought or could not be bought; but anything concerning von Bernstorff, tending to show his purpose over here to acquire news-

papers, or to do anything toward German propaganda, we would like you to read.

Mr. BECKER. I will do the best I can.

Senator WOLCOTT. I do not know how Mr. Becker is going to frame it. I know how I would frame it if I were in his place. I want to make some statement of my position with reference to this affidavit after he is through. It depends upon the way he reads it; it depends upon the way he makes his statement.

Senator OVERMAN. A member of the committee may make any statement he wishes.

Mr. BECKER. Well, on the top of page 6 it reads as follows:

Q. Did he (von Bernstorff) express a desire to get in some paper?—A. Yes, he thought it absolutely necessary.

Next is a matter relative to Herman Ridder. Shall I read that?

Senator OVERMAN. No; you can leave that out.

Senator WOLCOTT. He is in now.

Senator OVERMAN. Read the whole thing.

Senator WOLCOTT. May I make my statement here? My position with respect to this deposition that I want to get on the record is this—I say this, not because it is perhaps worth while, but yet I feel it necessary as far as my record is concerned—that this deposition is competent evidence to this extent: For the purpose of showing the desires and the activities of Count von Bernstorff in the matter of securing avenues of approach to American public influence, and that in attempting to secure those avenues of approach he had the purpose, and so expressed it, if possible to purchase newspapers in this country, and in some cases, if necessary, to bribe them. He was prepared to go the whole limit, according to his statement, in order to get the means of spreading German propaganda. That is material to this investigation. I think it is wholly immaterial if the deposition be used for the purpose of showing the various newspapers and persons that he discussed, whom he thought he could reach with money, and I think those names should be omitted, and if the witness goes beyond that, I want it to be known that it is contrary to what I believe is right and just.

Senator KING. I assent to the views expressed by Senator Wolcott.

Senator OVERMAN. I have asked the witness to confine himself to Von Bernstorff and what he proposed to do.

Senator STERLING. My view can be very briefly stated, and that is this, that we are entitled to the evidence showing Count von Bernstorff's efforts in the matter of purchasing newspapers for use in spreading German propaganda. In the present instance we are attempting to show that by conversations with Count von Bernstorff, and my view is that we are entitled to the whole of the conversations with Count von Bernstorff, having that purpose, whether it means particular names or particular newspapers or not.

Senator WOLCOTT. May I add one thought that I omitted? If there is any evidence available to show that any of these persons or papers mentioned were actually secured by him, then I think it is quite pertinent now to disclose their names out of that deposition. But unless it is going to be followed by some such evidence that he accomplished his purpose with those people, I think they should not be used.

Senator OVERMAN. You understood what I said?

Mr. BECKER. I hope so.

Senator OVERMAN. That is the ruling of the committee.

Senator STERLING. I may add further that to me the bare mention of the name of a newspaper or a newspaper proprietor is not in itself an implication that the newspaper was purchased.

Senator OVERMAN. The mere fact that he said he was going to purchase it is not reason for saying that it could be purchased.

Senator KING. My point, elaborating a little further, is this, that very grave injustice might be done in this or in any other case that might be called up for consideration. To illustrate, recently we were considering the question of prohibition. I think at that time as a matter of public knowledge the prohibitionists and the antiprohibitionists were quite active, some trying to secure and some opposing certain proposed legislation. If some third person said to some other party, in discussing the question, "I believe we can get Senator A or Senator B or Senator D, or Congressmen A, B, or C, to vote in favor of the liquor interests," and years after some other question, collateral, was under investigation, it seems to me that it would be very unjust and very unfair to put into the record the fact that years before somebody had said that he thought that some Senator or some Congressman could be got to vote for the liquor interests. That in a concrete way illustrates the point that I had in mind.

Senator NELSON. Mr. Chairman, I want to say that one of the purposes of this investigation is to investigate what we call in common parlance the German propaganda in this country, and anyone who was conversant with the situation knows that von Bernstorff was the head of this propaganda. Now, we are seeking to show by this evidence that von Bernstorff had his eye on securing access to the public press, and that he was going to make an effort to secure certain papers to carry on this propaganda. If we have not a right to go into that, then this whole investigation to my mind is a farce.

Senator OVERMAN. The Chair has ruled that you can do that.

Senator KING. Any question is admissible if it is to show that the purpose was to use the press for the purpose of carrying on German propaganda, and if it can be shown that any newspapers, pursuant to any such purpose, were engaged in German propaganda, and were purchased or their services procured by Count von Bernstorff, that would be admissible.

Senator OVERMAN. It will doubtless be remembered that in the lobby investigation the names of some of the most influential men in this country were mentioned, and they came before the committee. Their names were mentioned by Mr. Mulhall. I do not want any opinion given as to whether this or that man was purchasable or not, but anything to the effect that Bernstorff wanted to acquire or purchase newspapers is admissible, and the witness, if he understands, will testify to that.

Mr. BECKER. Suppose the chairman reads such parts as he thinks proper.

Senator OVERMAN. I suppose that I might edit it and put it in later, but I thought you could do it better—that if you could do it it would be better.

Mr. BECKER. I have reason to believe that whatever I do, my good faith would be attacked, and it is much more comfortable if your honor would do it instead.

Senator OVERMAN. If you wish, I will put it in in the morning, after editing it.

Mr. BECKER. I might put with it also a paper that is a translation from a clipping from a German newspaper of December 8, 1914, so that you can see whether that ought to be brought in.

Senator KING. It is referred to in the deposition?

Mr. BECKER. No; but it might, in view of the discussion, be doubtful whether it should be read. It is a clipping from the Vossische Zeitung of December 8, 1914.

Just another word before we quit this subject. The proofs that I have show that on the Morning American the editorials having to do with foreign relations of the country, with the attitude toward Germany, and so forth, are shown to have been written during the war period almost entirely by Phillip Francis, who was an editorial writer on the American at that time. The exceptions are those of editorials signed with the name of William Randolph Hearst himself.

Senator OVERMAN. Who is Francis?

Mr. BECKER. He was a Californian that was brought on East to take an editorial position on the Hearst papers. Of course, on the evening paper, the Evening Journal, Brisbane was the editorial writer.

Senator OVERMAN. Just for my own curiosity, the Deutsches Journal went out of business, did it not?

Mr. BECKER. That was after we entered the war. That clipping is from a paper published in Berlin, Germany, known as the Vossische Zeitung.

Senator WOLCOTT. Is it in German?

Mr. BECKER. It is a translation in English.

Senator OVERMAN. You mean the Hearst paper called the Deutsches Journal went out of business just after the war?

Mr. BECKER. Yes.

Senator OVERMAN. What was its position before we went into war?

Mr. BECKER. Identical with that of the other Hearst papers.

Senator NELSON. Did you put in those editorials you referred to?

Mr. BECKER. I have submitted this editorial to the committee, this article from the Vossische Zeitung. I will say that it was written by an individual who has been proved to have been one of the closest associates with William Bayard Hale after he went to Germany in 1916—Prof. Stein.

You might be interested if I were to give you a word about Adolph Pavenstedt. Pavenstedt is now interned. He was the one whom Bolo met in this country and he was the intermediary between Bolo and Bernstorff. Pavenstedt was the senior member of the firm of G. Amsinck & Co., by the evidence of a gentleman named Abraham Stein, whose deposition I have here.

Senator OVERMAN. Is that the same man who wrote this article?

Mr. BECKER. No; that is another man. He is the senior member of the firm of A. H. Stein & Co., of New York. It appears that some time after we entered the war, the date being somewhat uncertain, a man whose name he was not able to give, and Pavenstedt, met at the office of G. Amsinck & Co. This man spoke the German language, and he asked Stein if his firm had any connections in the Dutch East Indies. Stein then continues, as follows:

I told him we have some people which we are connected with in business. We have not got our house there any more.

He then stated:

I would like to make this clear to you. After we liquidated our business out there we appointed an agent in case we might have some business out there. He stated then he would like to send some merchandise either to Sourebeya or Semarang, and I asked him what merchandise it was? He said they were rifles and ammunitions. I says, "I am awfully sorry, but I can not accommodate you because I would not mix myself in any affairs like that, because first of all I am an American citizen and I wish to remain neutral."

Senator WOLCOTT. This was after we entered into the war?

Mr. BECKER. No; this was before. This can be fixed by other dates. This plot is a well-known affair. It was the plot to send munitions to create an uprising in India. It has been the subject of a trial in California. Some of those rifles were kept in New York. I merely wish to call attention to the fact that Pavenstedt came with this German and had a talk with Stein with reference to whether the shipment could be arranged to Sourebeya and Semarang, which are ports in the Dutch East Indies.

And a few days afterwards I met Mr. Pavenstedt and he asked me, "Well, could you do anything for the gentleman?" I said, "No, Pavenstedt; I could not. I would not have anything to do with him." He asked me for what reasons. I explained to him just the same thing as I told the other gentleman. He says, "I think you are right not to take any chances."

That was unquestionably the plot that was fomented by Capt. Hans Tauscher to send arms and ammunition to be used at the uprising in India.

I want to call your attention there also to a couple of matters relating to prewar arrangements for propaganda, one of them having to do with propaganda in this country and the other in Turkey.

Senator WOLCOTT. Pre-European war?

Mr. BECKER. Yes. The first transaction was in 1909 and had to do with George von Skal. Von Skal was a German reserve officer, formerly connected with the Staats Zeitung, and in 1906 he was appointed commissioner of accounts by Mayor McClellan. In 1909 he made a trip to Berlin and conferred with Col. Brose, chief of the intelligence department of the German General Staff, and was selected by Col. Brose to compile statistics on military and economic subjects for military purposes.

Von Skal's testimony is that in 1909 it was all arranged. The question was asked him:

How did you come to meet Capt. von Papen?

His answer was:

Well, it had been arranged long before that I should do this work. It was really arranged in 1909. I happened to be in Berlin in 1909 and met a gentleman—that is, Brose—who had served in the same regiment I had when I was in the army, and he was the Chief of the Intelligence Office of the General Staff, of the news bureau, as they called it, and he said he had often thought of me because when war broke out they wanted to have some one here in the military attaché's office, who could be in touch with the press, see, who might tell them what should be done with the press, and who could also take clippings from newspapers here, such as might be interesting for them, not alone for the war, but also for the subsequent——

Q. Economical statistics?

A. Representing the history of the war, you know, for writing the history, and he said, of course, would I not do it, and I said I would undertake to do it.

of course, under the condition that if America in any way—the United States became in any way involved in the war I would have to drop the matter off. As that it had nothing to do with the United States.

Then he testified further that after the European war broke out, acting under the intelligence department or the news bureau, as it was called, he was with Von Papen here in New York and sometimes assisted in coding dispatches for Von Papen with the official code of the general staff.

I have also the deposition of Salih Gurdji, which relates to matters not entirely related. I call attention to it simply as showing German preparations for war, and German propaganda. Salih Gurdji is a native of Bagdad. Prior to the war he was the owner of the Ottoman News Agency at Constantinople. Before the war, in May, 1914, he was offered 40,000 and later 100,000 marks by the German ambassador at Constantinople, Baron Wangenheim, for the control of his news agency for the purpose of spreading German propaganda in Turkey. When the war broke out, they seized his newspaper, and then having made no compensation to him, gave him a commission to go to Switzerland and Italy and act as a correspondent for his own news service, which he carried out for a while.

First, as to the prewar propaganda, I want to call your attention to a perfectly innocent and proper propaganda that was carried out in this country long before the war. Nevertheless it is explicit German propaganda for the purpose of inculcating kultur in this country, and I might cite, as an example—the fact is, it is something I am familiar with, the foundation of the Germanic museum at Harvard, which is my alma mater, and the matter of the arrangements that were made for the exchange of professors between German universities and American universities.

Then, here is another example. No criticism attaches to it whatever, but it illustrates the early inception of the German propaganda movement.

Senator OVERMAN. It was testified here that Germany had a corps of people consisting of 31 men as far back as 1899, who came over here for that purpose. Has that been called to your attention?

Mr. BECKER. I have heard of it in the papers.

During the year 1911, but for one year only, there was published a German edition of the magazine that was known as Current Literature. I believe it is now known as Current Opinion. It consisted mainly of translations of the articles appearing in the American publication, in Current Literature. But there were also special articles, which are described as follows in the announcement:

This will be, in effect, a German edition of Current Literature, with the addition of a special department devoted to the kultur movement fostered so ardently by the German Emperor and his advisers, on one side, and President Taft and President Roosevelt, on the other, for the interchange of thought between the great universities of the two countries, the closer acquaintance of each nation with the artistic and intellectual achievements of the other, and, in general, a better understanding between these two great nations of the Teutonic race.

The list of editors and officers is interesting. The president was George Sylvester Viereck; the vice president, Edward J. Wheeler; the treasurer, Max R. Hein; secretary, Ely Simpson; assistant treasurer, Adam Dingwall; assistant secretary, Alfred Rau. The Ger-

man representative was Louis Viereck, the father of George Sylvester Viereck.

I will next attempt, as well as I can, to explain to you, from such researches as I have been able to make, the organization of German propaganda in Germany. That, of course, has not been generally published; consequently our information is not so good on it as it may be later. It is more or less of a secret of the German Government.

I will do the best I can to give you the outline of it, as far as the secret services of the various countries have been able to get it together and it has come to my attention, together with the principal personalities who were concerned in Germany.

First, there was the press and propaganda bureau of the foreign office, or *Answaertiges Amt*, to give the German name to it.

A person prominent in this was Baron Mumm von Schwarzenstein, the former minister to China. He has been described to me by Mr. Edwards, who went to Germany as William Bayard Hale's secretary, in a sense, as being a typical chink with a large, impassive face. There seems to have been some thought that orientalism was a species of education for propaganda.

The director of the war press bureau in the foreign office was at first Dr. Otto Hammann; after November 1, 1916, Maj. Deutelmoser, who had formerly been director of the press bureau of the war department.

Senator OVERMAN. That is, of the German war department?

Mr. BECKER. Of the German war department.

One function of the foreign office bureau was to prepare press matter to circulate in foreign countries, of a pro-German character.

The American section of the foreign office was under the management of Count Montgelas. He was one who took a great deal of interest in the American correspondents over there and unquestionably tried to influence them.

There was in the foreign office a chief censor who seems to have had the final word, as far as the foreign office was concerned, as to what should be allowed to go out of the country. His name was Dr. Roediger.

The method in general was this: Any correspondent who wished to get an article through had to submit it to the department that was interested. If the article dealt with a matter relating to politics—international politics—he submitted it in the first instance to the foreign office, and it was passed upon by Dr. Roediger.

If it related to matters concerning the German Navy it was passed on by the Navy Department.

If it related to the Army, it was passed on by the War Department.

There was another character that ought to be mentioned as being a great German propagandist, and that is Dr. Mathias Erzberger. According to the authority of the British secret service, he was in charge of the publicity department of the admiralty.

According to an article in the *Quarterly Review* for July, 1918, by Lewis Melville, to which I am indebted for a great many of these details, and which I think are correctly stated, he was in charge of what was called the press bureau for the influencing of neutrals—*Presseabteilung zur Beeinflussung der Neutralen*. Perhaps both are correct. That may have been a Navy Department bureau.

Erzberger is a very prominent character in the Centrist Party in Germany. He was a member of the armistice conference, and it was he who, in 1915, went into Switzerland and met the Ex-Khedive Abbas Hilmi and called him to account for his expenditure of moneys which had been given to him for propaganda purposes in France and Italy.

It appears by the evidence in the Bolo case that Abbas Hilmi finally received a receipt in full from Erzberger, although it appears that Abbas Hilmi had absorbed about 50 per cent of the moneys for his own personal use.

The admiralty had also its own correspondence service, mainly intended for foreign countries.

Then there was the War Department Press Bureau, which was largely concerned with domestic matters, but it had also a foreign section, called the Auslandsstelle, one function of which was to read the foreign press.

It issued a daily review of the foreign press for the use of German press writers, and issued press material for circulation in foreign countries.

One person concerned with that department was Lieut. Col. Herwarth, who formerly was German military attaché at Washington, and for whom, apparently, von Bernstorff had a very warm feeling, because he wirelessly over there several times to inquire about his health.

As a part of the foreign office there was what was called the central section for foreign news service, or Zentralstelle für Auslandsdienst. This was under the direction of Dr. Thiel, and was the bureau to which Dr. Fuehr reported. It was charged with the preparation of news matter, films, books, etc., for war propaganda in foreign countries, and was the principal source from which foreign newspaper correspondents in Berlin obtained material for their dispatches.

William Bayard Hale, however, was not placed on the same basis as other correspondents in Berlin; and the evidence of it is that he had access to the higher authorities in these different departments and obtained his information not from the press bureaus but from authorities of higher rank, for use by the International News Service.

It has been said—I am unable to verify it—that Capts. von Papen and Boy-Ed, although attached to the embassy as military and naval attachés, respectively, really belonged to the propaganda bureaus of the War Office and the Admiralty.

In foreign countries the medium for the dissemination of propaganda was mainly through the embassies, legations, and consular service. Work of the same kind was done, however, by the banking representatives of German banks, such as the Banco Aleman Transatlantico, the Deutsche Ueberseeische Bank, a subsidiary of the Deutsche Bank, the Banco Germanico, and other banks having many branches in Asia and Central and South America.

It is perfectly characteristic of the work of the German propagandist representatives that they had some connection with an activity of an entirely different sort. Dr. Bernard Dernburg was nominally an American representative of the German Red Cross.

Dr. H. F. Albert was commercial attaché of the German Embassy, although it is proved, I think, conclusively, that he was engaged in propaganda.

Dr. Isaac Strauss was nominally American representative of the committee for the east, which was a Jewish organization designed to promote the interests of the Jews in the Near and Far East. As a matter of fact, it has been proved that he was largely concerned in straight Jewish propaganda in America.

Owing to the stoppage of German mails by measures taken by the British, the best means of dissemination of propaganda in North and Central and South America proved to be the wireless.

At the commencement of the war there were wireless plants capable of receiving and transmitting from and to the Berlin station at Sayville, Long Island, and Tuckerton, N. J. These were used as the means for receiving propaganda.

This material was then forwarded to various centers for distribution in Central and South America and the West Indies by cable.

The expenses of the New York bureau, conducted by Dr. Fuehr, for such cable services amounted to many thousands of dollars a month.

A letter from a German propagandist agent at Corumba, Brazil, dated May 27, 1916, which was intercepted by the British secret service, reads in part as follows:

It would be very fitting if, immediately after the war, a commission of wireless telegraphy were sent to all the States of South America to obtain concessions from the different governments for the establishment of wireless stations and to start constructing the same immediately. The Sayville-Tuckerton station has been invaluable, and without it South America would have been in the hands of the Anglo-French news service.

The establishment of wireless is certainly cheaper than cable and impresses Creole governments by its simplicity and modernity.

There was published some time ago in the Providence Journal what purported to be, and apparently authentically was, a chart prepared in the German foreign office which embraced a scheme for a world-wide system of electrical companies under the direction of the German Government, through which ultimately there would be a world-wide system of wireless telegraphy with the central control in Berlin.

Throughout all the countries of the world, wherever there has been a German colony, by which I mean a group of German residents there, they have raised sums for the dissemination of propaganda news service.

In the same letter of the agent from Corumba, Brazil, whose letter I refer to above, it is stated:

In consequence of the intensive statement of the newspapers here and regular delivery of good German telegraphic news, the German colony here has succeeded in winning over for the most part the opinion of the people of the country who at the beginning of the war were hostile to Germany. The financial sacrifice of the colony runs to about 500 marks a month for telegraphic charges, but doubtless this will bear fruit after the war.

Then, again, here is an intercepted letter from San Juan, Porto Rico, within the dominion of the United States, which reads, in part, as follows.

Senator KING. To whom was that?

Mr. BECKER. I am not aware. It is something which has been furnished us by the British secret service, as I recall:

Through the intervention of Mr. "C," secretary of the German-American Chamber of Commerce, we receive daily communiqués issued by headquarters.

These official reports are forwarded to the local newspapers and published at the German consulates. For this purpose the colony has put aside \$6,400 until the end of 1915.

Senator KING. I am just a little curious to know—how did you come into possession of these, if it is not asking too much, rather than the State Department?

Mr. BECKER. As to that, I think the State Department is undoubtedly in possession of this; but it is characteristic of intelligence services that they help each other with documents, and that has been notably so throughout this country. We have all been banded together. Everything that I have been able to get has been turned over to the departments of the Federal Government, and they have responded when it was proper for them to do so.

As a matter of fact, it is characteristic that the intelligence services do not operate through the usual diplomatic channels. There is not maintained the formality of intercourse with foreign governments in intelligence service that is maintained in diplomatic communication. I have on occasion received direct from the British secret service information which I have handed on to the other departments, owing to personal connections that I have made. It is the method that is followed. This writer continues:

A special committee deals with the publication of our cablegrams and looks after the interest of the German cause, issuing news which serves this purpose. We have also acquired a German war film.

This committee had at its disposal \$1,454.92.

The colony paid \$500 to publish a pro-German book in Spanish. At the suggestion of the Imperial Embassy in Washington we forwarded 20 copies of this book to our diplomatic representatives in Central and South America.

Another element of official propaganda in German is the Wolf Telegram Bureau, which is semiofficial and spreads what is given out by the Government as far as it can throughout the world.

One curious method in German propaganda was disclosed by the evidence of George Odell, who was a correspondent of the New York Evening Mail in Germany, both before and after the United States entered the war. I am wrong about that. I think he went to Germany with Bernstorff, on the steamer on which Bernstorff returned: so that he was there only a very short time before we entered the war.

He was introduced to certain political figures in Germany by this Dr. Roediger, and on the suggestion made to him by Dr. Roediger, of the foreign office, the chief censor of the foreign office, that he go to see these individuals, and among those whom he saw were extreme radicals. At least they had the reputation in Germany of being radicals. For instance, there were Prof. Von Gaevernitz, Freiburg University; Prof. Kurtz, of Heidelberg; Dr. Heckscher, leader in the Reichstag; and Dr. Saenger, editor of Die Neue Rundschau.

Those individuals then gave him expressions of their radical views, which he made into articles which were published in the Mail, being allowed to go through by cable or wireless.

The one that interests me particularly appears to have been derived from either Von Gaevernitz or Heckscher—it was not quite certain which—and was a dispatch which came over to this country about the middle of 1917, the effect of which was that the Kaiser was about to be overthrown. Then, utilizing the same sources of

information, after Odell returned to America in the fall of 1917, long before we entered the war, there was prepared and distributed through what was practically an adjunct of the Evening Mail, known as the McClure Syndicate, a lot of press matter for publication in different newspapers; and it was all published in the Evening Mail.

I have the original press matter here, and without going into detail, it will be sufficient to state that these persons whose views are there stated, such as Von Gaevernitz, to whom Odell was sent by Roediger, the Kaiser's chief censor in the foreign office, expressed views to the effect that there was a great democratic movement in Germany; that it was influenced largely by President Wilson's international policy; that the Kaiser was going to be shortly greatly limited in power; and, possibly, there is even a suggestion that he was going to be dethroned.

Senator REED. I beg your pardon. What was the time of this?

Mr. BECKER. These were published in the latter part of 1917; the very end of the year.

I have all the articles here. I do not want to take the time to call attention to them, but the headlines are fairly significant.

Liberal View Gains Strength From President's Appeals.

Reform Demand.

Gaevernitz Sees Good for German People in Victory of Democracy.

Senator REED. I do not want to interrupt you further than to get a fact that I was not sure I heard, and I am interested in this: This work was done, which you are referring to, as a part of German propaganda originating in Germany? Is that your view of it?

Mr. BECKER. If it is my view that you are asking for——

Senator REED. That is what I want.

Mr. BECKER. It is my view that it was desired, at this time, by the propaganda bureau of the foreign office to spread the idea abroad that the Kaiser's power was going to be limited; that there was going to be a democratic reform in Germany; and that the purpose of it was to paralyze military effort in the United States.

Senator REED. This was in the fall of 1917?

Mr. BECKER. Yes, sir.

Senator REED. And these articles were printed in a great number of papers, were they, throughout the United States?

Mr. BECKER. In a great many. They were published in full in the Mail.

Senator REED. It seemed to me that I saw a great many articles of that kind in different papers, and I was wondering if this was the source of them.

Mr. BECKER. I think that it was, very largely.

Senator REED. Do you know whether, after this time, which you say was the fall of 1917, the same influences were at work in getting out similar matter?

Mr. BECKER. I am unable to trace it beyond just this period.

Senator REED. You do know as a matter of fact, from your recollection, do you not, that similar articles, articles of a similar character, have been appearing ever since, even down to this date?

Mr. BECKER. Of course, it ultimately came true.

Senator REED. Yes.

Mr. BECKER. But the significant point is that we traced it right back, through Odell's somewhat reluctant statement, to inspiration in the German foreign office more than a year before it ever came true.

Senator REED. I was just wondering how far your papers connected it up with this matter.

Senator WOLCOTT. Had the Mail been purchased by Dr. Rumely at the time these articles were published?

Mr. BECKER. A long time before; over two years.

Senator WOLCOTT. Was the Mail then under this control at the time of the publication of these articles?

Mr. BECKER. It still was. One of the individuals whom Odell quotes in this series of articles is the vice president of the Deutsche Bank, and this vice president was quoted by Odell to the general effect that all except the big industries in Germany were, as the headline says, aligned in the struggle against kaiserism.

Senator OVERMAN. And you say the purpose of that propaganda was to paralyze the military arm over here?

Mr. BECKER. That is my opinion. My opinion is that they figured it out in Germany that if the idea got abroad that Germany was being democratized and that the Kaiser was being curbed, that would please the Americans so much that they would quit, or at least minimize their efforts in the war. Otherwise, it is hard to explain one of the Kaiser's own appointees handing out word about how the Kaiser was going to be overthrown, in that indirect way.

The work of the censorship under Dr. Roediger, of course, constituted a sort of negative propaganda. It prevented anything that was unfavorable to Germany from getting out of Germany.

Another individual who has figured in these hearings and who was in Germany as a correspondent in 1916 is Louis E. Miller.

Senator NELSON. Whom did he represent?

Mr. BECKER. He represented himself, really. He was sending correspondence to be sold to American Jewish papers.

Senator WOLCOTT. Is he the fellow who had *The Warheit*?

Mr. BECKER. Yes. And merely as an incident of the workings of the censorship I will call attention to a small part of his statement. He says:

I was in Austria about two weeks and in Galicia about six or seven days. While I was in Germany I obtained from Edward Bernstein, one of the leaders of the minority in the Reichstag, a report from German missionaries in Armenia, which had been the subject of investigation by a committee of the Reichstag, and this report tended to show that the Turkish atrocities in Armenia had been countenanced by the German officials there. Mr. Bernstein said to me that he wanted me to take this report "over there," saying "We can do nothing in this country about it, and a million of the Armenians have been slaughtered and five hundred thousand still will be; they are going to be slaughtered as certain as death, unless America can prevent it. You take that report and submit it to your government and have it published, to see what you can accomplish there." These were his words and his injunction, and I showed it to Minister Egan (U. S. Minister in Denmark) and he told me not to publish it, but to bring it over to the State Department.

Q. How did you get it out of Germany?—A. They were very strict, and I committed it to memory.

Q. In order to get it out of Germany you committed it to memory?—A. Yes. I committed it to memory, and I did it so well that at least ninety-eight per cent of that report I could vouch for. This report is now on file in the State Department.

I refer to that mainly to show how impossible it was to get anything by the censor, except by some such means as that, when they did not want it to go through. Furthermore, it has been testified before the Attorney General that everything written by a correspondent had to pass the foreign office and also the postal censorship and the military censorship. There were three scannings by three different censorships before it was allowed to go through.

For the use of correspondents the Germans provided many sources of material.

The War Department Press Bureau issued the review of the foreign press, "Nachrichtung des Auslands."

Then there was the so-called "News," the "Nachrichtung Abteilung," which was issued by the Foreign Office Press Bureau.

Also the "Kriegs Nachrichtung" or "War Chronicle," which was a ready-made letter of so-called correspondence, issued under the name of M. Berg. The British Foreign Office suggests that it was probably Mathias Erzberger. I have some samples of it here. It was printed in English and in many other languages, and was furnished free of charge to any correspondent who would take it and use it. I will file these with the committee, if it is desired [exhibiting pamphlets].

Senator OVERMAN. Yes.

Mr. BECKER. Then there was the private news service, known as the "Transocean Korrespondenz." I will refer to that in a moment. There was also "La Correspondence Politique de l'Europe Central"—the political correspondence of Central Europe—published in French, English, Italian, and Spanish, at Zurich; a masqueraded publication, designed to get into the hands of correspondents, which was spread broadcast by mail to the newspapers throughout the world. Certain of the German newspapers also issued their correspondence and sent it abroad, and conducted services of that kind, such as the "Berliner Tageblatt" and the "Vossische Zeitung," for circulation in neutral countries, the latter known as "The Ullstein Group;" and the closest relations of William Bayard Hale were with that group.

Then there was the "Continental Times." This was a paper which was founded many years ago. Two years before the war it became the property of an Austrian Jewess, the divorced wife of an English editor. Since the outbreak of the war it has called itself a "Journal for Americans" in Europe, and has indulged in the most absurd German propaganda. It is perfectly frank and outspoken on the German side—so much so that it can hardly be called "propaganda," which we usually understand as something disguised and insidious. Among its contributors have been Aubrey Stanhope, R. L. Orchelle, Roger Casement, and Edward Lyell Fox; and I have here the checks that were sent to pay Edward Lyell Fox, through Schulz-Ruckgaber, of New York, for services rendered to the "Continental Times." One payment of \$90 was made pursuant to a wireless from Berlin, dated January 5, 1917, and another payment of \$90 was made March 6, 1917. Each is stated to be made for account of the "Continental Times," Berlin, and here is Edward Lyell Fox's receipt for each [exhibiting papers].

Senator OVERMAN. Let those go into the record.

Mr. BECKER. Yes. The Continental Times is a source of amusement, rather than anything else. I will present these copies. It was not a very serious publication. However, it was circulated as assiduously as possible in prisoners' camps wherever there were Americans or English-speaking persons, and also abroad, and although these particular issues do not show it, as a sort of bait to get it read, it published lists of prisoners.

I might mention also the Gazette des Ardennes, published in the French language, which was circulated all through northern France and Belgium, and was a much more subtle and insidious affair, designed to corrupt the sentiment of the French people themselves.

Senator OVERMAN. Where was that published?

Mr. BECKER. In Berlin, I think. I am not quite sure of that. At any rate, it was published by the Germans.

Then there was a branch of the ministry of education which was known as the America Institut. Its chief director was Dr. Walther Drechsler, who had formerly been master of German in the Middlesex School, near Boston, but after the war he became attached to the press department of the foreign office. The American representative was Assistant Director Dr. Karl Oscar Bertling. The organization consisted mostly of persons who had formerly been in America and were supposed to understand the American people.

Some of these organizations I have spoken of may or may not have been private institutions. There are some that were formerly private institutions. For example, there was the Verband Deutsch-Auslandischer Wirtschaftsverein, the Union of German Associations for Economic Activity in Foreign Countries, and the Deutsch-Amerikanischer Wirtschaftsverband, the German American Economic Union. That was formed shortly before the European war, under the presidency of Hugo Ballin, who, as head of the Hamburg-American Line, was very well known in this country, and it comprised about 400 firms who banded together for commercial propaganda in the United States.

There were other similar associations for trade, and still others for "Kultur."

For commercial propaganda Germany has developed during the war the so-called Kartel system. No one knows more about that than Mr. Palmer, the Alien Property Custodian, and his assistant, Mr. Garvan, and I shall not attempt to tell you about that. He has far better information than anyone else.

The most important news agency was the Transocean, which has been referred to several times in the testimony here. Subsequently, it split up into two organizations, one of which was confined to news service and the other to preparing information for press publication. This was formed by various industrialists in Germany in the spring of 1914, and among them was August Thyssen, the famous coal and iron master. The real object of this Transocean Bureau, as evidenced by its despatches, was to furnish a daily wireless service and to conduct an intelligence service, with agents, ostensibly news gatherers, especially in South and Central America. It published what was called the Continental Korrespondenz, which was founded in 1915 by Ludwig Asch and was later edited by Guenther Thomas, concerning whom there has been some reference in this proceeding.

The British Secret Service remarked that it was obviously used at times by the German Government to spread throughout the world lies that could not very well be sent out through the official agency, the Wolff Telegraf Bureau, because in that case the Government would have to stand back of it; but if its lying rumors could be circulated through the Transocean, they would accomplish the same result without incriminating the Government.

Mr. Bielaski has given you a very excellent idea of the use of moving pictures, and I will not speak of that, except incidentally in a little while, in reference to one particular case that he did not mention.

Then there was an organization known as the "Kriegsausschuss der Deutschen Industrie" or the War Combine of German Industry. This association was ostensibly for the purpose of representing manufacturers in their dealings with the Government; but it published financial information of a frankly propagandist character, with titles such as "The German-American Crisis," "The Economic Conference at Paris," etc. It was circulated through financial channels.

Then there was what was known as the "Deutsch-Südamerikanisches Institut" or German-South American Institute; and while it had no direct participation in propaganda in the United States in any way, there is found in the transactions of that organization, published in November, 1916, at Aachen, Germany, a statement which shows pretty clearly, by inference at least, how extensive were the German Government's plans for propaganda after the war. This is merely a resolution of this one society, but, as you will see, it represented a detail of a much larger scheme, which it foreshadowed. It reads as follows:

Not the least important task which will confront Germany after the war is the provision of a more thorough and effective scheme of enlightening and influencing foreign opinion in the German interests. The war has made us realize as we never did before how much this has hitherto been neglected, being left, as it were, to particular groups and individuals, and not furthered by the nation as a whole, nor even by its leading elements.

After much preliminary investigation and consultation we have come to the conclusion that for the practical accomplishment of this task there must be, in the first place, a division of work into (1) the news service for the foreign press; (2) the safeguarding of German economic interests abroad; (3) the cultivation of scientific and artistic relations with foreign countries on the lines of a general "cultural" policy.

In the second place, it is necessary to make geographical division in order to do justice to the linguistic, political, and cultural peculiarities of each single sphere of activity abroad.

The institute, with the consent of the Imperial and the Prussian authorities concerned, has undertaken the third task within the extremely important and culturally homogeneous sphere constituted by the Spanish and Portuguese speaking countries of South and Central America. The direction of the news service and the safeguarding of economic interests will be set apart for other institutions to deal with.

Another organization of the same kind, about which we have better information than the others, will, I think, interest you on account of the proof there is of relationships with the German Government, and the extent to which the propaganda was carried on. This is the "Nachrichtendienst für die Länder Spanischer und Portugiesischer Zunge," which means a news service for lands of Spanish and Portuguese tongue, with headquarters at Frankfort, Germany, founded after the war. It was subsidized by the Foreign Office in 1915, with a payment of 10,000 marks, and in May, 1915, it received 3,000 marks for the month, and in September, 1915, 4,000 marks a month

from the German Government. In August, 1914, the Deutsche Ueberseeische Bank assisted it in preparing mailing lists for Spain, Central and South America. I am going to refer a little later, at the risk of wearying you, to what I regard as a very important element in the German propaganda, and that is the use of the German branch banks and banking officials. In this case, the Deutsche Ueberseeische Bank, which, as I will show you in a moment, has numerous branches in South America, simply furnished a mailing list. The result of that was that in August, 1915, this organization printed 7,500 copies of its pamphlet in Spanish, 4,000 in Portuguese, and 17,000 in German. The organization has a branch at Barcelona; conducts a daily press service in Spain, and has founded in Barcelona two newspapers and a fortnightly magazine. You can see how useful the Deutsche Ueberseeische Bank would be in assisting in getting mailing lists and in spreading the propaganda through South America with the number of branches it has. It is a subsidiary, in a way, of the Deutsche Bank, the great German bank that Hugo Schmidt represented. Hugo Schmidt was the center here in New York for correspondence with the South American branches, both by cable and by wireless. Innumerable messages came to him from Berlin by wireless, and were then put into code and sent by him by cable to the whole of South America from New York. This bank has branches in the various countries of South America—Brazil, Argentina, Chile, Peru, Uruguay, Bolivia, etc. It has a total of 25 branches.

The Disconto Gesellschaft, another great bank in Berlin, has a subsidiary bank—the Brazilian Bank for Germany—which has five branches in Brazil.

Another great banking institution, the Dresdener Bank, has a subsidiary known as the Banco-Germanico, at Buenos Aires.

The Deutsche Bank is a bank in which I have been particularly interested, in the line of commercial propaganda and in general commercial activities during the war, because it was Hugo Schmidt's bank. One of the results of the investigation in the Bolo case was, as Mr. Bielaski has told you, that the Department of Justice became interested in the powers which the Attorney General possesses, which are greater than those that any Federal department possesses—the power of subpoena, of compelling the production of books and documents, and the giving of testimony.

Using those powers, with the consent of—in fact as an aid to—the Department of Justice, we took possession of about 56,000 papers—under subpoena from Hugo Schmidt, of the Deutsche Bank and Deutsche Ueberseeische Bank, papers that had accumulated during the three years that he had been their representative in this country, and I have made as careful a study as possible of those papers. I want to emphasize the influence that the peaceful penetration of America by these German banks has had, and what has been nothing more nor less than German propaganda before and after the war. The Deutsche Bank has a capital and reserve of 420,000,000 marks, or approximately \$100,000,000. The Ueberseeische Bank, with its branches in South America and Spain, has a capital of 30,000,000 marks, and the Disconto Gesellschaft has a capital of 420,000,000 marks, with its branches.

Senator Wolcott. How much is a mark in American money?

Mr. Becker. Before the war it was worth about 23½ cents.

Senator Reed. What is it worth now?

Mr. Becker. I do not know what it is worth, because I have not seen quotations since the war. During the war it dropped to between 16 and 17 cents. I will refer a little later further to the activities of Hugo Schmidt and the banks which he represented.

I want to take up next the method of financing the expenditures for German propaganda in this country. Prior to Dr. Dernburg leaving for the United States on the 12th day of August, 1914, the German Imperial Government delivered to the agent of M. M. Warburg & Co., the great banking firm——

Senator Nelson. At Hamburg?

Mr. Becker. At Hamburg, 25,000,000 marks of German war bonds. They were really short-term notes, running nine months, I believe.

Senator Reed. What was the date?

Mr. Becker. August 12, 1914. Now, these are the treasury loan notes of a later issue, but I assume that the ones that were deposited with Warburg in Germany were—I know they were—a mark issue. Later on there was a dollar issue in this country. I will refer to this a little later.

Here is the letter to Kuhn, Loeb & Co., from M. M. Warburg & Co. This is a translation:

BECKER EXHIBIT No. 16.

BERLIN, August 12th, 1914.

Messrs. Kuhn, Loeb & Co., New York.

The Imperial German Government has deposited with M. M. Warburg & Co., Hamburg, M. 25,000,000.—(Twenty-five million Marks) nominal non assessable interest paying treasury bonds to be effective from Aug. 12th, 1914, until Dec. 12th, 1914, maturing on the latter mentioned date. These Treasury bonds are issued as follows:

2 Ten Million Mark Treasury Bonds, and

1 Five Million Mark Treasury Bond.

These Treasury Bonds are to serve as collateral for all sums which may eventually be drawn by the authorized agent for account of the German Empire. The same holds good for Treasury Bonds which may be issued to take the place of the Bonds now deposited, in case an extension is desired.

The Messrs. M. M. Warburg & Co., can only dispose of the Treasury Bonds after securing the consent of Kuhn, Loeb & Co.

M. M. WARBURG & Co.,

Per Attorney

(Signed by) Dr. of Jurisprudence W. Regendanz.

Senator Sterling. You say these issues were for the purpose of advancing German propaganda?

Mr. Becker. They were for that purpose in this case, because Dr. Dernburg was not engaged in much else. That is, this particular deposit was.

I also call your attention to a letter—I have the original here—translated as follows:

BECKER EXHIBIT No. 17.

Ex Secretary of State, Privy Councillor.

Dr. Dernburg is herewith commissioned to open an account with the banking firm of Kuhn, Loeb & Co., New York. The Imperial German Embassy at Washington is to have the disposition of this account.

Berlin, August 11th, 1914.

The Imperial Chancellor Acting as Substitute.

(Signed)

KUHN.

On September 8, 1914, Dr. Dernburg addressed Kuhn, Loeb & Co. as follows:

BECKER EXHIBIT No. 18.

FIFTY-TWO WILLIAM STREET, Sept. 8, 1914.

Messrs. KUHN, LOEB & Co.,
New York.

GENTLEMEN: I beg to enclose Power of Attorney of the Secretary of the Treasury for the German Empire, which please keep at my disposal; also letter of Messrs. M. M. Warburg & Co. of Hamburg by Dr. Regendanz their special attorney, dated Berlin, August 11th, 1914, informing you of the deposit with them of

Nom. val. M. 25,000,000 German Treasury Bonds.

On the strength of the above cited Power of Attorney, I beg to pledge to you the above named Treasury Bonds or so much of the same as will be requisite to cover the loan I have received from you today of \$200,000 cash.

Please hold this amount to the disposal of Mr. Heinrich Fr. Albert of 45 Broadway (Hamburg Line) and oblige,

Yours very truly,

DR. B. DERNBURG.

A letter from Kuhn, Loeb & Co., as follows:

New York, Sept. 11th, 1914—

Senator REED. I do not want to interrupt, but just for the sake of clarity let me say I remember testimony that was given at one time by the representative of the Hamburg-American Line when it was being investigated before the Committee on Commerce of the Senate, I think, to the effect—that is, as I recall the testimony: it is vague in my mind—that certain moneys had been arranged for to take care of certain indebtedness of the Hamburg-American Line; and in view of the fact that you have just mentioned some officer of the Hamburg-American Line in connection with this loan, I was wondering whether possibly this money might not have been used for that purpose; if you know about it.

Mr. BECKER. No; it was not. I know about that. It will come out later. The person referred to was not an officer of the Hamburg-American Line. It was Dr. Albert, the commercial attaché.

Senator REED. I misunderstood you, then. I was just curious about that.

Mr. BECKER. I will be able to throw some light on that, although it has not a great amount of interest.

This other letter is as follows:

BECKER EXHIBIT No. 19.

NEW YORK, Sept. 11th, 1914.

His Excellency BERNARD H. DERNBURG,
#45 Broadway, Room 100,
New York.

DEAR SIR: We beg to confirm the arrangement which we have made with you as follows:

We have agreed to advance to you the sum of \$400,000. at 6% interest per annum, to be repaid by you at our pleasure and for which as much as shall be necessary of the M. 25,000,000 Treasury Bonds of the German Empire, deposited for our account with Messrs. M. M. Warburg & Co. shall be held as security.

It is further understood that you will arrange that until this loan is repaid, the German Reichsbank shall maintain a balance with us of at least \$200,000. We have noted that you have placed \$200,000. of the above amount at the disposal of Mr. H. F. Albert, and we shall await your instructions as to the disposition of the remaining \$200,000.

Please confirm and believe us,

Yours faithfully,

(Signed)

KUHN, LOEB & Co.

The whole of the \$400,000 was ultimately placed at the disposal of Dr. H. F. Albert, commercial attaché to the German Embassy in the United States. Time and time again emphasis was laid upon the idea that Dr. Albert was the commercial representative. Dr. Dernburg was here frankly as a propagandist. I call attention to the fact that the money that was sent over with the power of attorney to Dernburg to use, was placed in an account in the name of Albert. The method of using Dr. Albert as commercial attaché to disguise disbursements of funds for propaganda purposes was adopted throughout all the operations of the German Government in the United States. Now, it happened that between October 24, 1914, and April 8, 1915—between those two dates—Dr. Albert was unable to carry bank accounts in his name in the United States for the reason that the German Government had previously entered into a contract with one Aaron Hecht, of 94 Cliff Street, New York City, whereby said Hecht was to act as their commercial agent in the United States. The German Government having concluded that it was to their best interests to send Dr. Albert to do the work that had been assigned to Hecht, which had properly to do with buying goods for export to Germany, the German Government found itself threatened with a suit by Hecht for breach of contract. In order to avoid the attachment of any funds, the German Government, through Dr. F. H. Albert, opened a bank account with G. Amsinck & Co. in the name of William G. Sickel, Sickel being one of the managing directors of the Hamburg-American Line in New York. He was an American citizen, and he volunteered to act as custodian of these German funds between October 24, 1914, and April 8, 1915, giving to Dr. F. H. Albert a series of checks sent by him in blank, so that Dr. Albert could continue his operations without fear of the account being molested by Aaron Hecht.

I have here the transcript of account showing how it was carried in Sickel's name.

However, by April 1, 1915, the possible controversy and litigation between the German Government and Hecht was settled, and thereafter the funds were carried in an account in Albert's name.

Shortly after that an arrangement was entered into with Messrs. Chandler & Co., of New York, bankers, to underwrite a loan of \$10,000,000 of German war loan treasury notes, and between April 1, 1915, and January 3, 1916, \$9,908,369.48 was realized by the German Government through this issue of \$10,000,000, par value, of German war loan notes.

These samples [indicating notes] which I obtained from the American Bank Note Co., and which I have been requested to return, show the form that these notes took. They were printed and issued in this country, and they bore the signature of von Bernstorff, and were regarded as in the nature of interim certificates.

Senator OVERMAN. They were sold in this country?

Mr. BECKER. Yes, sold to bankers; and it was a dollar issue, money payable in dollars.

Senator NELSON. Instead of marks?

Mr. BECKER. Instead of marks.

Senator OVERMAN. Do you know what they sold for—what they brought?

Mr. BECKER. They netted, out of \$10,000,000 issued, \$9,908,369.48. You can figure it. I have not done so.

The proceeds were deposited by Messrs. Chandler & Co., the underwriters of this loan, with the Central Union Trust Co. of New York, to the order of the Imperial German Government, and thereafter between April 1, 1915, and January 3, 1916, were checked out by Dr. H. F. Albert and von Bernstorff, the German ambassador. The proceeds were checked out and placed in other banks, and there seem to have been two purposes; in fact, there is evidence of the existence of these purposes.

The first was to create large deposits with banking institutions as a basis for procuring large commercial loans to finance the export of merchandise to Germany, required by the German Government through its central purchasing agency.

The second was to induce banking institutions receiving such deposits to become interested in the purchase of German war loan bonds for the bank's account, and also for sale to its depositors. The war loan bonds were issued in marks, similar to our liberty loans.

Adopting this method, on April 3, 1915, a bank account was started by Dr. Albert and von Bernstorff jointly, with the Equitable Trust Co. of New York, by an initial deposit of \$3,350,000. On the same day a bank account was started with the Columbia Trust Co. of New York, by an initial deposit of \$750,000. On October 16, 1915, a bank account was started with the Chase National Bank of New York by an initial deposit of \$125,000. Between April 3, 1915, and January 3, 1916, the proceeds of the German war loan treasury notes, as they accumulated in the Central Union Trust Co. of New York, were checked out and the accounts of H. F. Albert and von Bernstorff with the Equitable Trust Co., the Columbia Trust Co., G. Amsinck & Co., and the Chase National Bank, were replenished to finance the operations of Dr. Albert and the other representatives of the embassy.

In due course funds were rechecked out of these banks and bank accounts were opened in other institutions, with the result that Dr. Albert had succeeded in opening banking connections between April 1, 1915, and the time he sailed, in February, 1917, with the following institutions. I have a list here, and I think perhaps I might as well spread it on the record.

Senator OVERMAN. Let it go on the record.

(The list referred to is here printed in the record as follows:)

Chase National Bank, Mechanics' & Metals National Bank, Equitable Trust Co., Guaranty Trust Co., Columbia Trust Co., Kuhn, Loeb & Co., German-American Bank, Lawyers' Title & Trust Co., United States Mortgage & Trust Co., Fulton Trust Co., Speyer & Co., G. Amsinck & Co., and Chandler & Co.

Mr. BECKER. There were quite a number of out-of-town banks. I will mention some of them [reading]:

Merchants' Loan & Trust Co., of Chicago; Continental & Commercial National Bank, of Chicago; First National, of Cleveland; Wisconsin National Bank, of Milwaukee; St. Louis Union Bank, St. Louis; Mississippi Trust Co. St. Louis; and First National Bank, Boston.

In addition to this loan of \$10,000,000 on Treasury notes, two subsequent loans were made by the German Government, one in January, 1916, of \$3,500,000, and one in June, 1916, of another \$3,500,000. The latter, however, was made for the purpose of redeeming the former one, or extending it, so that the actual amount realized from the floating of loans with Chandler & Co. by the German Government was actually between \$13,000,000 and \$13,500,000.

This was not, however, all the money that was realized by the German Imperial Government from the sale of war loans in the United States, and I think that it is fairly to be understood that the war-loan bonds, similar to our Liberty-loan issues in March, were considered by the German Government as a propaganda affair to a great extent. If there could be a large number of different subscribers for the German war loans, it meant so many persons who had a financial interest in this country in the success of Germany in the war.

Here is an advertisement by one of the persons engaged in selling German war-loan bonds:

BECKER EXHIBIT No. 20.

If You Have Any Money in Banks Why Not Invest It in the New German War Loan "Instead of Letting the Banks use it for the Proposed Allies' Loan?"

Subscriptions Closed in Berlin Yesterday, and it is estimated that Approximately MARKS: 11,000,000,000. or \$2,750,000,000. have been subscribed, showing the complete confidence of the GERMAN PUBLIC in its own GOVERNMENT

SUBSCRIPTIONS for the UNITED STATES however have been extended, and I am in a position to offer MARK: 1000. BONDS, at \$210.

all further particulars gladly furnished by A. WUNNENBERG 42 Cotton Exchange Building New York City Telephone 3012 Broad

That, I think, might justly be characterized as a propaganda circular.

These other loans were floated through German banks, the Deutsche Bank of Berlin, the Disconto Gesellschaft, and Hugo Schmidt, as well as Dr. Albert, had a great deal to do with the floating in this country.

I think Schmidt was, perhaps, the most successful and active in floating these loans. There were five of the German war loans, and at least three of the issues out of five were very largely sold in the United States. Our office collected a list of the subscriptions. There were approximately shown in that list, which is not complete, 32,000 subscriptions, and I should say, at a rough estimate, that means about 25,000 individuals.

Senator OVERMAN. Principally Germans?

Mr. BECKER. Almost entirely; a little sprinkling of Irish, and a few banking concerns that bought. It had the effect of rock-riveting the loyalty of Germans in this country to Germany, or was intended to have it.

Also the Austro-Hungarian Government, acting through the Anglo-Austrian Bank of Vienna and the Hungarische Kredit Bank, placed Austrian and Hungarian war loans. It is only possible to approximate the total amount that was sold in this country of the German war loans. There were sold approximately \$12,000,000 worth, or four or five times that much in marks, and of the Austro-Hungarian loans there were placed approximately \$10,500,000 in kronen.

Now, the principal American banks and bankers who engaged in selling German and Austrian and Hungarian war loans through this method were Zimmerman & Forshay, who disposed of a total of 21,000,000 marks, over a million of Austrian kronen, and over 700,000 Hungarian kronen.

The Trans-Atlantic Trust Co., which, by the way, as Mr. Garvan or Mr. Palmer will explain to you, if you ask them, was shown to be financed by the Austrian Government, under the head of Julius Pirnitzer, of New York, who has been interned. Pirnitzer disposed of 12,000,000 marks, over 1,000,000 Austrian kronen, and 14,000,000

Hungarian kronen. Muller, Schall & Co. disposed of 12,000,000 marks, and Knauth, Nachod & Kuhne 7,000,000 marks of the German loan.

I have a list, which can be put in the record, of banks which participated in a small degree.

(The list referred to is here printed in the record as follows:)

BECKER EXHIBIT No. 21.

Steneck Trust Co., Hoboken; Kuhn, Loeb & Co.; Heidelberg, Ickelheimer & Co.; Guaranty Trust Co.; German-American Bank of Cincinnati; First National Bank of Chicago; Continental & Commercial National Bank of Chicago; First National Bank of Cleveland; Wisconsin National Bank of Milwaukee; Merchants' Loan & Trust Co. of Chicago; St. Louis National Bank, St. Louis; Mississippi Valley Trust Co., St. Louis; Hallgarten & Co., of New York; Chase National Bank of New York; Schulz & Ruckgaber; Broadway Trust Co.; G. Amsinck & Co.

Mr. BECKER. The funds realized from the disposition of these mark bonds—which, by the way, were never delivered to any of the purchasers, they receiving receipts from the banker—were disposed of in this way: The funds were either transmitted to Germany by cable or were disbursed by the German banks here to cover their sales of exchange on New York.

Then, as to this, I acknowledge indebtedness to the Military Intelligence. There was a sort of organization in this country of which George von Skal, to whom I have referred, was an officer. It was called the Bund Eisernes Kreuzes, the Society of the Iron Cross. They issued certificates of this sort [showing certificates to the committee], and the very arrangement of flags around the edge showed that it was propaganda.

Senator OVERMAN. Was that printed in this country? It looks more like German.

Mr. BECKER. It was printed in the German language, but was lithographed in New York by the American Bank Note Co. Here are the American shield and the German shield right side by side in friendly contact. It is written in the German language, signed by its officers, George von Skal across the right hand, and Dr. Gustav Scholer. These were peddled around at barber shops, and cost 50 cents or \$1.

Senator OVERMAN. What was the par value?

Mr. BECKER. Nothing at all; but they merely entitled the person who wanted to take one, and pay his money, to membership.

Senator WOLCOTT. It assured the owners of membership in the bund for 50 cents per head.

Mr. BECKER. Something like that. The Military Intelligence informs me that they raised about \$60,000 by that means.

Senator REED. Have they any market value that you know of?

Mr. BECKER. Only as curiosities.

(Thereupon the committee, at 5.15 o'clock p. m., adjourned until to-morrow, December 20, 1918, at 10.30 a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

FRIDAY, DECEMBER 20, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Wolcott, Nelson, and Sterling.

Senator Reed was also present.

Senator OVERMAN. The committee will come to order.

In regard to the affidavit which was before the committee yesterday, I have excluded all testimony of the affiant which expresses his own opinion about anything or anybody, but I have concluded to put into the record what he said Mr. Bernstorff said.

On yesterday we closed on page 5 of this affidavit. I read from it as follows:

Tell us just what was said on that, as well as you can recollect it.

A. We were talking of the New York papers and I made the remark that most of our papers here were very highminded; for instance, if you wanted to put out a security of a new corporation which was not tried out, and you should give the New York Sun an advertisement conditional upon there being a news item in their financial column, which is worth more than any advertisement, they wouldn't do it without a thorough investigation, and they would notify you that if their advertisement depended on that, you couldn't get it in.

The balance of that answer is excluded because it is an opinion of the affiant, which is not competent.

(Continuing reading from deposition:)

Q. Did he express a desire to get into some paper?

That is, did Bernstorff express a desire.

A. Yes; he thought it was absolutely necessary. He was very severe in his criticism of Herman Ridder, whom he thought was doing their cause a great deal of harm, more than any one thing.

Q. Ridder was? A. Yes, the Count said the very fact of Ridder being a prominent German publishing his paper in that language, would make Americans skeptical anyway, and then Ridder imagined that he was very much stronger in American affairs than was really the case. He said that Ridder came to him once and said that within twenty-four hours he would be a Senator from New York, and the fact was Ridder did not "also ran," so he said he was injuring the cause all over the country. He also mentioned Dernburg and others who came over to influence the American mind, but did not understand the Americans, and were not reaching them, and that they were doing more harm than good.

Q. What did he say about Hearst? A. I am leading up to that.

Then he goes on to say:

I remarked,

and so forth, and that is all excluded. Then he said that Bernstorff said:

I have to have somebody to put our news the way we want it.

That goes in.

(Continuing reading:)

"Q. Had you mentioned the '*American*' or the '*Journal*'? A. I mentioned the Hearst papers particularly, and he said that he had had his eye on Hearst as an available man, and I came away with the distinct impression that he expected to see Hearst, and when I saw that Hearst was publishing a German paper, I mentioned it later to the Count, and said 'I guess you got to these fellows,' and he said 'Well, it's working all right, isn't it?'"

Senator REED. You might as well let it all go in, if you are going to put that in.

Senator OVERMAN. This is Bernstorff's statement?

Senator REED. I do not care if it is.

Senator OVERMAN. Bernstorff's statement goes in. (Reading:)

When was this subsequent conversation? A. Oh, that was about a year later.

I have excluded everything this witness said in the nature of an opinion by him, but I have admitted everything that he said Bernstorff said. The balance of it has been cut out—suggested rumors and so forth. About four or five pages of the deposition are out.

(Continuing reading):

Q. Do you think of anything else, any other particulars? A. The question of stopping the sending of munitions to England was brought up, and I don't know just which one it was, but I think it was White, who said "That is easy to do; buy these arms companies at Bridgeport and Bethlehem; they are the two big outfits; buy them and shut them down; that is the cheapest thing for you." I understand von Bernstorff took it up with his government, and they wired back that they wanted the German bankers here to do it.

Q. You mean the German-American banks? A. Yes; such firms as Muller, Schall & Co. and Hallgarten; they thought that they ought to do it, but they wouldn't do it.

Q. Von Bernstorff said that his government wanted it done over here; you heard him say that, did you? A. Yes.

Q. Assuming that we are able to connect this up and get other evidence to corroborate you, you would have no objection to our using this then? A. No; I would go on the stand and verify it.

Senator REED. May I see what you have left out?

Senator OVERMAN. Certainly. (Handing to Senator Reed transcript of deposition.)

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Senator OVERMAN. Mr. Becker, I hold in my hand here a yellow paper. I would like to know what that is, where it came from, and how it came into the possession of the committee, and all about it, before I rule on it.

Mr. BECKER. That is the paper I handed you, with the suggestion that, in view of the course of the discussion yesterday, there might be some question in your mind as to whether it should be read.

Senator OVERMAN. I want to know where it is from, and what it is.

Mr. BECKER. It is a translation of an article appearing in the *Vossische Zeitung* on the 8th day of December, 1914.

Senator WOLCOTT. That is a newspaper published in Berlin?

Mr. BECKER. In Berlin.

Senator STERLING. I think that ought to go in. It is simply in connection with the other.

Senator OVERMAN. We will take that up later, Mr. Becker, and pass on it. You may proceed.

Mr. BECKER. I was testifying yesterday with relation to the accounts of the German Embassy carried in various forms and used for various purposes.

At one time I made as careful a study as was possible from examination of bank records, to ascertain the expenditures made by the Embassy and the purposes for which they were made. Subsequently, the Department of Justice obtained information which was used in Mr. Bielaski's statement. With that information, they now have knowledge that is far superior to anything that I could possibly possess on that subject, and I am not going to go into the question of expenditures, except to a limited extent, where we followed it up with testimony and adduced facts which might be of interest.

The question has been suggested by some of the newspaper accounts that possibly some of the American bankers who received the bank accounts of the embassy, and who made loans to the embassy, were conscious participators in German propaganda, and that is a matter to which I have given very thoughtful attention in the past, and perhaps I could make a statement that would be of use to the committee, of some of the facts from which conclusions may be drawn. I want to avoid scrupulously drawing any conclusions myself.

First, the Trans-Atlantic Trust Co., which was largely concerned in the sale of German, Austrian, and Hungarian war loans. As I stated yesterday, the person probably best qualified to discuss the Trans-Atlantic Trust Co. is Mr. Garvan, or his superior, Mr. Palmer, the Alien Property Custodian.

However, the Trans-Atlantic Trust Co. was a corporation, a trust company, largely financed with money of the Austrian Government. That has been established. It was entirely a foreign institution. There was only a minor American interest in it, and the correspondence of the company shows that one of its purposes was to maintain the close relations, particularly of Austro-Hungarians, with the motherland. It has been taken over by the Alien Property Custodian, and may unquestionably be regarded as an absolutely Austrian institution—at least, German and Austrian.

G. Amsinck & Co., under the leadership of Pavenstedt, had a divided allegiance. Pavenstedt's partner, Julius Ruperti, has testified that he was always proally. Pavenstedt was very strongly pro-German, and was a German subject. Pavenstedt took Boy-Ed and Von Papen into his office when they first came to America, and allowed them to remain there for quite a time, until his partner would not stand for it any longer, when various exposures began to be threatened. In the early part of the activities of Dr. Albert, Boy-Ed, and Von Papen, the greater part of the questionable schemes were paid for through checks drawn on the account with G. Amsinck & Co. The firm of Zimmerman & Forshay unquestionably maintained a neutral attitude, although it was a firm composed of German partners. It was, however, active in the marketing of German war loans. The stenographer has the list of banks I put in yesterday. If I had it

here I could go through some of the others and give you certain facts with reference to them.

One I ought to refer to is the firm of Kuhn, Loeb & Co. I have already read in evidence documents showing the initiation of the embassy account, and the making of a loan of \$400,000, which was the first financing done in this country with Kuhn, Loeb & Co.; and you will recall that the financing was done by means of depositing 25,000,000 marks of German Government securities with M. M. Warburg & Co., in Germany.

Now, the partners in Kuhn, Loeb & Co., as is well known, are Paul M. Warburg, Felix Warburg, Otto H. Kahn, Mortimer L. Schiff, Jerome J. Hanauer, and Jacob Schiff, the head of the firm. The firm of M. M. Warburg & Co. is a family affair largely in Hamburg, and the latest issue that we have of the German Banking Year Book shows that Felix Warburg and Paul Warburg were members of the firm of M. M. Warburg & Co., of Hamburg. That issue of the yearbook was, of course, before the war. I think it is the issue of 1914. It is known that in 1913 Paul Warburg was in Germany and performing duties as a member of the firm of M. M. Warburg & Co. In other words, there was a community of partnership between M. M. Warburg & Co., in Hamburg, and Kuhn, Loeb & Co., in New York. In the same family there was a Dr. Fritz Warburg. It has been variously stated that he was a son of M. M. Warburg and that he was a brother. However that may be, Dr. Fritz Warburg occupied the same position for the German Government in Stockholm that Dr. H. F. Albert held in New York—that is, commercial attaché of the embassy—and you will find the name of Dr. Fritz Warburg mentioned in the so-called “Sisson Documents,” relating to Russian Bolshevism, as a person concerned with the disbursing of moneys for encouraging the Bolshevist movement in Russia.

Now, it would appear from the documents, I think, that the original intent was to finance the German propagandists in this country through Kuhn, Loeb & Co., and the documents, taking them altogether, will show with some clearness, I think, what the result was. I will read them in chronological order.

First I produce some letters delivered to me by James Minotto.

Senator OVERMAN. Who is he?

Mr. BECKER. You may have heard of Minotto. He is now interned. He is an Italian subject, but of German birth. He was married to a daughter of Louis Swift, of Chicago, and came into prominence in connection with an examination into his pro-Germanism. The question of his internment was bitterly contested, but finally a presidential order caused him to be interned. I subsequently gave him a thorough examination in connection chiefly with the Caillaux case, the former Premier of France, on request of the French Government, but I also examined into some of his other activities, and it appears from his testimony, to summarize it, that in the summer of 1915 he made a trip to France and Italy for the Guaranty Trust Co., with which he was then connected as manager of their foreign department, and while in France he met Georges Pallain, director of the Bank of France, and had some discussion with him with regard to the Anglo-French loan and the attitude of American firms in respect to it. And he promised to have prepared when he returned to America a report on conditions, to be

sent to Mr. Pallain, who had a great deal to do in France with the sale of government securities, and in particular with the Anglo-French loan which was floated in this country.

Upon Minotto's return to the United States he met Otto H. Kahn, of Kuhn, Loeb & Co., and I will give you Mr. Minotto's statement of what occurred and then read the letter that was written. This is the sworn testimony of Mr. Minotto [reading]:

One of the main topics of discussion at that time was the fact that amongst the biggest concerns in New York the only one that had not subscribed to this loan (that is, the Anglo-French loan) was the firm of Kuhn, Loeb & Company. I had a talk with Mr. Otto H. Kahn on that subject when we were out for luncheon one day.

Q. May I interrupt—to be perfectly explicit—just where did this luncheon take place?—A. Either at the Mid-Day or Bankers' Club, one of the two.

Q. Continue.—A. He explained to me that he thought that one of the main reasons why his firm did not intend to subscribe to this loan was on account of Mr. Jacob H. Schiff's aversion to the Russian Government, which had been so unfair to the Jews, and that he could not look at the allies without seeing Russia in the picture.

I subsequently drafted a letter to M. Pallain, and before sending it, went to the office of Messrs. Kuhn, Loeb & Co., on William and Pine Streets, and showed it to Mr. Otto H. Kahn so as to get his opinion. Mr. Kahn went with me to the first floor of the building, where the board room of Messrs. Kuhn, Loeb and Co. is, and read the letter. He told me that while I had given an accurate report of the situation, I might amplify my statement concerning the attitude of the firm of Kuhn, Loeb & Co. toward this loan, and that while the firm itself had not subscribed to it, he, Mr. Kahn, and his partner, Mr. Mortimer L. Schiff, whose sentiments were very proally ever since the beginning of the war, had never denied the newspaper report that they had personally subscribed to this loan to the amount of \$5,000,000 for Mr. Otto H. Kahn and \$1,000,000 for Mr. Mortimer L. Schiff—

Senator KING. I do not see the materiality of this. I do not see that it is necessary, in this investigation, to bring into the record the name of Mr. Schiff, or any other bankers, disclosing their private business and the purchases they made of Anglo-French bonds or American bonds. If there is anything that would tend to show German propaganda, especially activities with the newspapers or with the press, under the construction placed by the committee upon the resolution that would be proper. This might show—in fact, it does tend to show—that one of the men just mentioned was proally. Now, I do not think it is material for us to go into that, or their private transactions.

Senator OVERMAN. It will not do any harm. I think we should know all about the German transactions here, and who was assisting in carrying out this German propaganda and handling this money. It has been shown that they spent \$50,000,000 here for German propaganda.

Senator NELSON. As I understand it, Mr. Becker, this is an explanation on their part why the firm of Kuhn, Loeb & Co. had not subscribed for liberty bonds?

Mr. BECKER. For Anglo-French bonds.

Senator KING. For Anglo-French bonds.

Senator NELSON. For Anglo-French bonds; but that Otto Kahn and Mortimer Schiff had, on their own account, subscribed for our bonds. Is not that it?

Mr. BECKER. Yes; and let me state a little further: The firm of Kuhn, Loeb & Co. have been subject to a vicious fire of gossip as to

their attitude in the war, and I think I am in a position to clear it up.

Senator NELSON. I think it is to their interest to have it cleared up.

Senator KING. Speaking for myself, I have never heard any criticism of Kuhn, Loeb & Co. I have always regarded them as one of the best and strongest and most patriotic banking houses in the United States.

Mr. BECKER. I have no intention of attacking them, but I think I can show the facts, which will not demonstrate that the firm, as a whole, was pro-German at all, but will show that it was rather painfully neutral. That is what I wanted to establish.

Senator WOLCOTT. Let me ask a question, Mr. Chairman. Are we engaged here in an investigation for the purpose of clearing up and acquitting people about whom rumor has said something? We certainly are here, I think to an extent, engaged in an investigation for the purpose of fastening rumor on somebody; but if we are going to pursue—

Senator OVERMAN. If that is the purpose of it—to acquit somebody—of course it is not competent.

Mr. BECKER. The purpose is to present evidence from which the committee can determine, as I look at it, whether Kuhn, Loeb & Co., who, on the surface, appear to have been so intimately connected with the banking arrangements of the German Embassy, should be deemed from that to have been other than neutral.

Senator OVERMAN. If that is the purpose of the testimony, to show that there is no charge against them—it may be that there have been charges in the newspapers against a great many people—we are not here for the purpose of acquitting anybody, unless they want to be heard.

Senator WOLCOTT. As far as my statement is concerned, the witness might with propriety state that they make it clear that Kuhn, Loeb & Co. were not pro-German; but there is no use in going into the details of that matter.

Mr. BECKER. What will appear is this. It will appear that as far as Otto Kahn was concerned, he tried to be—to use an expression which I hope will not be offensive—good friends with both sides; and I can show his statements that he made in this manner to the French Government and the statements that he made to the representatives of the German Government.

Senator KING. That is, before our Government was at war?

Mr. BECKER. So he, in a way, played both ends against the middle.

Senator KING. Was that before our Government was at war?

Mr. BECKER. Yes. The sum total of the thing is that, taking it by and large, you will find that the firm of Kuhn, Loeb & Co. imposed on the German Government such difficult conditions for financing that the German Government was compelled to turn elsewhere to do its financing.

Senator OVERMAN. We will let that statement go into the record; but as to the details of the business, we do not care anything about them.

Mr. BECKER. What the correspondence shows is that as far as Otto Kahn was concerned, while he was telling the French Government indirectly that they had subscribed, he was telling the German

Government that they had not. If the committee does not desire to hear it, I do not desire to press it at all, of course.

Senator OVERMAN. I think a simple statement on your part will be sufficient.

Mr. BECKER. All right.

Senator NELSON. One of the Warburgs was appointed on the Federal Reserve Board. You know, Senator Reed, about that.

Senator OVERMAN. That was Paul M. Warburg, was it not?

Senator NELSON. On the Federal Reserve Board. You remember that, Senator Reed?

Senator REED. Oh, certainly.

Senator NELSON. And he has lately resigned or retired?

Senator REED. Yes.

Senator NELSON. I think he is a brother of these Warburgs.

Senator REED. Yes.

Senator NELSON. Connected with them.

Senator REED. Yes. He was connected with Kuhn, Loeb & Co. immediately before his appointment.

Senator NELSON. Yes.

Senator REED. And resigned in order to take the appointment, severing his connection with Kuhn, Loeb & Co. All that we investigated in our committee. There was no secret about his connection at that time.

Senator NELSON. No.

Senator REED. Is there anybody here that challenges his loyalty now?

Mr. BECKER. Nobody. Certainly I do not.

Senator KING. There is not a man that has been more loyal and devoted to our country during the war than Paul M. Warburg and there is no man that has contributed more to make the Federal reserve law a success in its administration than Mr. Warburg, and I think the country suffered materially in his retirement from that important board.

Senator OVERMAN. We all agree about that, and I think this statement here shows that he was influential in keeping Kuhn, Loeb & Co. straight. They did not finance the Germans.

Mr. BECKER. There is no doubt the Germans came over here expecting that that connection between M. M. Warburg & Co. and Kuhn, Loeb & Co. was going to be all powerful to produce financing here, and they were grievously disappointed in that.

Senator OVERMAN. That is by reason of the influence of Mr. Warburg? You think that is the reason?

Mr. BECKER. No; but by reason of Mr. Kahn's influence.

Senator NELSON. Mr. Kahn was the most active man.

Senator REED. May I interject a question, just for the sake of clarity?

Senator OVERMAN. Yes.

Senator NELSON. I say Otto Kahn, to my knowledge—I spoke with him at several loyalty meetings two years ago at St. Paul and Minneapolis—was as pronounced a man in favor of our country as I ever met, and very active.

Senator REED. This is what I wanted to ask the witness. Mr. Becker, the dates you have been speaking of were in early 1914?

Mr. BECKER. In late 1915.

Senator REED. Late 1915?

Mr. BECKER. About a year after the war started.

Senator REED. Just about a year?

Mr. BECKER. Yes.

Senator REED. At that time the President had asked everybody to be neutral in thought and in deed—absolutely neutral; that is right, is it not?

Mr. BECKER. A good many of us disobeyed——

Senator REED. I know; but that was the President's request?

Mr. BECKER. Yes.

Senator REED. You do not accuse the President of being disloyal, do you?

Mr. BECKER. Oh, no.

Senator REED. He may not have been as far-sighted as you, but that was his request?

Mr. BECKER. I will tell you a great secret. I voted for him one time.

Senator REED. That was his request to the American people?

Mr. BECKER. Yes.

Senator REED. Do you think, under those circumstances, that it was disloyal for a firm to stand as you say Kuhn, Loeb & Co. did, as "painfully neutral"?

Mr. BECKER. Unless I can read the documents, just what I meant by that will not be clear.

Senator REED. Well, "painful neutrality" would mean absolute neutrality, but painful to you?

Mr. BECKER. No. You see, you think that I am criticizing the attitude of absolute neutrality. Not at all.

Since you ask me, what I thought was of interest, and might possibly deserve criticism, was something in the nature of playing both ends against the middle, to use a slang expression.

Senator REED. If a man played both ends against the middle and did it impartially, he being a banker, that would be bankers' neutrality, would it not?

Mr. BECKER. I think that characterizes it perfectly.

Senator OVERMAN. Proceed, Mr. Becker.

Mr. BECKER. There is one letter here that I think you will want to hear.

Senator KING. I, for one, as a member of this committee, certainly object to bringing into this record matters that are extraneous and immaterial and irrelevant——

Senator OVERMAN. As Senator Nelson has said, the whole thing would be a farce, absolutely, if we are going to hold it down to the strict rules of law. If we do that, we never will get any testimony at all. All this that we have put in is extraneous, as far as that is concerned. If we held down to the strict rules of law, we would get nothing, and would better cut out all the evidence.

Senator KING. Let me complete my sentence. Of course the statement just made by the chairman is gratuitous and wholly unwarranted, and is not a correct exposition of legal principles or rules of evidence. To say that by permitting proper evidence only, you keep out everything, is not correct. In an investigation of German propaganda we ought to investigate that and show what it did, and what

influence it exerted, if any, over the press, and what the brewers did toward controlling the press; we ought to investigate that and get at the truth and get all the facts we can get; but there is no necessity for bringing in the names of bankers or other people as the name of Kuhn, Loeb & Co. has been brought into this record.

What Mr. Becker has just said is, in my opinion, a reflection upon Kuhn, Loeb & Co.

Senator NELSON. No; I think, rather, it is in their favor.

Senator OVERMAN. I think the whole thing is in their favor.

Senator KING. When he says they played both ends against the middle, that is a very obnoxious phrase to me, and it conveys the meaning to the ordinary American that their conduct was not fair and not above suspicion; that it was not open, but that it was equivocal; that they were trying to court favor with each side, and to get benefits from both sides, without being frank and open.

If this is necessary in order to show the activities of Germany, to show what was done in connection with this firm, that is one thing; but if it is thrown in in a sort of extraneous way, as it seems to me it is now, I do not see that it is proper.

Maj. HUMES. May I say just a word, Mr. Chairman, about this matter? It is my understanding that the testimony shows that the German Government first undertook to utilize this particular banking firm in its banking facilities—as a part of its banking facilities.

The witness was about to account for the fact that there was a change in the program and that the Trans-Atlantic Trust Co., and possibly some other institutions, were utilized at a later date; and to account for the change in the policy of the German Government in handling their financial transactions; and that the connection of Kuhn, Loeb & Co. was simply a link in the chain of their financial activities.

If the witness was asked the question, how did the German Government happen to enter into a banking arrangement with the Trans-Atlantic Trust Co., it could only be answered by explaining why they had severed the banking connections that they had had up to that time, which had been with Kuhn, Loeb & Co., and it is my understanding that it was the purpose of the witness, from the financial accounts of the German propaganda agents in this country, simply to trace the transfer of funds and their handling from one city to another, in order that the committee might know the facts with reference to those financial transactions. The facts then, of course, would stand on their own bottom, as to whether or not credit or discredit was due to any individual in regard to these financial transactions; just as in the Bolo Pacha case the fund was transferred from one banking institution to another before it finally got to Bolo Pacha. It may have been with the knowledge of some of those banks, and it may have been without the knowledge of any of those banks, but if you trace the fund you have got to show the various institutions in which it was carried. Then it naturally follows that there may have been a special reason for the transfer of the fund.

Senator OVERMAN. I think you have a right to go ahead and show the reason for the transfer of the funds; but to try to acquit anybody is something that we need not go into.

Senator KING. You can show the transfer of funds by the bank books.

Maj. HUMES. That is true. But here is the situation: If this was a court, and we were trying a case as we would try it before a jury, there has been very little testimony introduced before this committee that would be competent; but the purpose of the committee, with a view to securing greater concentration and more expedition in these hearings has been to go on the theory that a man who had made these examinations was an expert, just as an expert accountant might be examined on a set of books that he had examined, and that men who were in the nature of experts should be called to outline all these various steps and to produce the evidence that has been produced before them, and the result of the investigation, for the benefit of the committee, in order to save the necessity of calling one witness to ask him, perhaps, two or three questions, and another witness to ask him half a dozen questions, and in the end, to call 200 witnesses to prove that we could prove by one witness if he was called in the nature of an expert. It was on that theory that we have conducted this proceeding.

Of course, none of this testimony would be legally competent—I will not say none of it, but most of it would be legally incompetent—if this were a court and if we were following the legal rules of evidence. That is true. But this is the method that has been decided upon by the committee, and for the purpose of securing greater expedition in the hearing.

I do not want to defend the legality of the testimony under a technical legal rule, but I do not see how——

Senator OVERMAN. That is a rule that has been adopted by all committees in investigations. We are not restricted to the rules of evidence. We do not want to call a thousand witnesses and prolong this investigation until next January, but we can bring witnesses here who are experts, and who know the facts, and who have examined witnesses and understand the matter thoroughly. We put this testimony in for what it is worth. I have cautioned the witness not to state anything that he does not have documents to prove; and I assume that Mr. Becker is governing himself accordingly. Now, proceed, Mr. Becker, to show the transfer of these funds. Do not whitewash anybody or prove anybody guilty. We want the facts, and let the public decide as to the guilt.

Mr. BECKER. Let me state, Mr. Chairman, for the purposes of the record, that I proposed to read a letter of October 5, 1915, from James Minotto to Monsieur Georges Pallain, reading the letter to which he made reference in the portion of his testimony that I read. I then proposed to read a letter of the 3d of November, 1915, from Hugo Schmidt to the Deutsche Bank relating to a conversation that he had with Otto H. Kahn. But I understand that those are excluded.

Senator OVERMAN. What is that?

Mr. BECKER. I understand that those are excluded.

Senator OVERMAN. No; I did not exclude that.

Mr. BECKER. Shall I read them?

Senator OVERMAN. Yes.

Mr. BECKER. The letter to Georges Pallain I will take up first. In the letter of James Minotto to Georges Pallain, the 5th of October.

1915, Pallain being the governor of the Bank of France, there is the following passage; and this is the passage referred to in Minotto's testimony:

You probably recall, Mr. Governor, that on the occasion of my recent visit to you in Paris I explained to you that the house of Kuhn, Loeb & Co., who are among the most important and powerful financiers in the United States, were being accused quite unjustly in France of pro-German tendencies, and that, on the contrary, the house rendered a true service to the cause of the allies in categorically refusing to negotiate every proposition which was offered to it on the part of the German Government, and from which it certainly would have received most advantageous conditions.

Now, also, in the negotiations of the Anglo-French commission, with the representatives of American high finance, Kuhn, Loeb & Co. have given proof of an attitude entirely benevolent to the cause of France and England, although Mr. Schiff, sr., has not lost sight of the resentment of the Jews against Russia.

It is said that Mr. Otto H. Kahn, who has on many occasions, especially from the point of view of benevolence and the development of French art in New York, demonstrated his pro-French sympathies, has personally subscribed \$5,000,000; and that one of his colleagues, Mr. Mortimer Schiff, has subscribed \$1,000,000 of the Anglo-French loan. Whether that is true or not, it is difficult to say. However, the fact that neither Mr. Otto H. Kahn nor Mr. Mortimer Schiff has denied the rumor has a very great importance; and it is not to be doubted that the attitude of Kuhn, Loeb & Co. has very considerably influenced the decision of other financial houses, and they have efficaciously, although not officially, aided in the success of the loan.

Senator REED. What is the date of the letter please?

Mr. BECKER. October 5, 1915. I read now a letter of Hugo Schmidt to the Deutsche Bank, Berlin:

BECKER EXHIBIT No. 22.

3 NOVEMBER, 1915.

No. 1428.

To the Deutsche Bank, Berlin:

Mr. Otto H. Kahn invited me to-day to take lunch with him and on this occasion he told me that an injury had been done to him, not only in the American press but also in the Frankfurter Zeitung, in that it had been reported concerning him that he, as well as his partner, Mortimer Schiff, had invested in the Anglo-French loan, which is in no way correct. Neither the firm of Kuhn, Loeb & Co. nor any of its partners had taken any part thereof, directly or indirectly, and if they have not contradicted these false newspaper articles that is because they make it a matter of principle to ignore such newspaper articles. The fact, however, that the news in question appeared with a statement of the amount for which both of the gentlemen had subscribed and that never a denial appeared made everyone believe that the statements in question were correct, and for that reason I repeated them to you at the time.

As I briefly reported to you already H. F. Albert had in mind to give up certain accounts which he had with Kuhn, Loeb & Co. for Von Bernstorff—eventually also the account of the Reichsbank—and he has since done so in part, so that at present actually only the account of the Reichsbank remains. He has written to Berlin concerning the withdrawal of this amount also.

I can not now wholly free myself of the idea that Kahn has given me the abovementioned information with the purpose that I should pass it on to Albert so as to prevent the business relations between the firm of Kuhn, Loeb & Company and the German authorities from undergoing a further diminution. So I have informed Albert of this, who will now abstain from any further diminution of his business relation with Kuhn, Loeb & Company, and I did not wish to fail to inform you of the matter.

As I met Mr. Kahn in his office, the elder Jacob H. Schiff also spoke to me and asked me whether I believed it would be possible to buy from the Reichsbank, which had a long line of English sterling exchange, such an exchange at approximately present rates on the basis of a suitable interest payment until the release of the exchange from London at the end of the war. He based this on the proposition that his firm had a great need of exchange on London, and since as he knew, the German banks had turned over to the Reichsbank their combined holdings, in sterling exchange, therefore he wished

to approach the Reichsbank in the matter. I answered him that I knew nothing about German banks having sold their holdings to the Reichsbank, and he remarked that if this were the case, he would naturally be glad to buy whatever sterling exchange the Deutsche Bank possessed. Of course I wished not to fail to inform you of this, so that in case you had any interest in selling the sterling exchange which you may own at about the present rate in this place.

With greetings, very cordially,

H. SCHMIDT.

Hugo Schmidt has been interrogated under oath and confirms that the interview occurred as there stated. I will now read a letter of February 16, 1916, from Hugo Schmidt, to the Deutsche Bank. That letter is as follows:

BECKER EXHIBIT No. 23.

No. 1762.

FEBRUARY 16, 1916.

To the DEUTSCHE BANK,
Berlin.

VERY RESPECTED GENTLEMEN: At the outbreak of the war, when cable communication with Germany was for some time completely interrupted, Mr. Harry Woodcock—

I may say that in this correspondence there is a code name for every person mentioned, but those are all easily translated, with Mr. Schmidt's assistance. I will read the letter with the names translated.

At the outbreak of the war, when cable communication with Germany was for some time completely interrupted, the Hamburg-American Line, who then needed money to charter and equip ships for the Ministry of War, has approached Kuhn, Loeb & Company, for many years his local banker, in order to obtain a large advance, about \$1,000,000.

Kuhn, Loeb & Company is said to have acted very arbitrarily on that occasion. At first it was not willing to entertain the proposition at all, then it said it could do nothing in the matter alone, but it would try to organize a syndicate for that purpose. After a few days they informed the Hamburg-American Line, which was very anxious to procure the money during all that time, that they together with some other friends were ready to grant a loan of 1,000,000 marks, but that amount was on the very next day reduced to 900,000 marks, because one of the associates had withdrawn in the meantime.

Kuhn, Loeb & Company further demanded, on the other hand, the mortgaging of all the, as is well known, extraordinarily valuable objects (ships) and, indeed, with a clause, according to which they would have had the right to sell the mortgaged objects at public sale or out of hand in case a judgment was obtained by anyone against the Hamburg-American Line.

However much the Hamburg-American Line was in need of money it could not bring itself to accept these ruinous terms, and in the meantime cable communication was restored to some extent so that it succeeded in obtaining financial assistance from its German firm. This is by no means gossip, but facts which Mr. Buenz recently related to me.

Buenz was the American representative of the Hamburg-American Line. To continue:

Capt. Boy-Ed had similar experiences with Kuhn, Loeb & Company. The Ministry of War had caused large amounts to be transferred to its local account through Speyer & Company; nevertheless payment here was deferred for about ten days although the Reichsbank had in its favor a balance which was by far greater than the sum asked for.

I mention all of the above only as introductory, and enter now upon the actual purpose of my letter.

I heard a few days ago that the Hamburg-American Line has secured from the Guaranty Trust Company a check account of \$1,000,000, which eventually can be increased to \$2,000,000. The Disconto Gesellschaft has guaranteed the credit. The credit may be used for drafts, due after three months, for which a commission of $\frac{1}{4}$ per cent is to be paid, and there is a tacit agreement that if no unforeseen events happen (as such are always considered a severance of diplo-

matic relations between the United States and Germany, or something like that), the drafts, when due, will be constantly renewed, although the Guaranty Trust Company did not accept a binding obligation to that effect.

Of course that credit is very welcome to the Hamburg-American Line, and enables it to make good the losses it suffered up to now in connection with bills of exchange from the other side by selling dollars at the exchange rates on the other side.

I happened to think that the North-German Lloyd will find itself in a similar position, and that assumption has been confirmed in the course of a conversation I had to-day with Gustav Schwab. Mr. Schwab said to me that he would be pleased also to obtain a credit of \$1,000,000 and that he would to-day write to his home office in that matter. I have already sounded the Guaranty Trust Company, and they will not have any objection to place such a credit guaranteed by us at the disposal of the North-German Lloyd under the same conditions as those in the transaction with the Hamburg-American Line. The credit would be used by the local house, but it would have to be done on account of the home office there, which, therefore, would declare itself responsible to the Guaranty Trust Company for the credit.

* * * * *

I am hardly mistaken in assuming that the North-German Lloyd on account of the present circumstances are very much in your debt, and that it is, therefore, welcome to you to obtain in that manner some money, and moreover in the form of dollars drawn on New York.

I expect your obliging news with interest, and remain, very respected gentlemen, with best regards, Your very devoted.

Senator KING. At that time our country was at peace with Germany?

Mr. BECKER. Yes.

Senator KING. And under the neutral attitude of the President, or his proclamation, there was nothing in international law that made it improper for Americans to sell any goods they might have to Germany any more than to sell those goods to France or England, and there was no more impropriety in Germany transferring funds to the United States to be used by her—I am speaking of use in a legitimate way, to purchase, for instance, foodstuffs or munitions—than in England or France transferring funds to the United States for like purposes?

Mr. BECKER. If your heart was neutral, very likely you would act in a neutral way.

Senator KING. My heart was not neutral; my heart was proally.

Mr. BECKER. Oh, I do not mean you, personally. I was speaking generally.

Senator KING. Generally, as a legal proposition, that is true.

Mr. BECKER. Yes. Of course in this case there is a grave difference from that, that I ought to point out, perhaps.

Senator KING. There was no impropriety in banks here receiving money from Germany which Germany transmitted here for the purpose of using it in a proper way?

Mr. BECKER. Oh, none whatever; in a proper way.

Senator KING. There was no impropriety in Kuhn, Loeb & Co. or any other bank receiving deposits from Germany?

Mr. BECKER. None whatever; but I wanted to call your attention to the fact that this million-dollar loan was proposed to be a loan to the ministry of war for ships that were in the service of war and to assist in financing commerce raiders, and that would be a violation of American law. However, there is no sufficient proof to warrant the conclusion that Kuhn, Loeb & Co. had more than a suspicion that that was the actual purpose. Of course to finance anything in the

nature of an armed expedition against the enemy upon our soil would be a clear violation of law.

Senator KING. I did not have that in mind.

Senator WOLCOTT. A violation of what law?

Mr. BECKER. I could not give you the reference to the United States statute, but there have been large numbers of prosecutions under it.

Maj. HUMES. I think it is section 6. It is one of the early sections of the criminal code.

Senator WOLCOTT. That it is a crime under the United States law for an American citizen to loan money to a foreign nation's representative for the purpose of enabling that foreign nation to equip itself with the means of war against a belligerent?

Maj. HUMES. Oh, no.

Senator WOLCOTT. Is not that what Mr. Becker said?

Maj. HUMES. For the purpose of a military expedition upon this soil.

Senator WOLCOTT. Oh, yes; but that is not this proposition, is it?

Mr. BECKER. Yes. I do not understand the distinction.

Senator WOLCOTT. For what purpose was this money to be used?

Mr. BECKER. For a loan to the war ministry to enable the war ministry to furnish coalers, and so on, to go out and provide belligerent ships with coal.

Senator WOLCOTT. Go out from this country?

Senator OVERMAN. Why, Germany had a fleet in these waters, as everybody knew.

Senator WOLCOTT. I evidently have not caught the testimony aright. To equip these coalers to go out from our ports?

Mr. BECKER. Yes.

Senator WOLCOTT. Oh, I misunderstood.

Senator NELSON. The situation was this, as I understand it, Mr. Becker. The Germans had at that time some of their men-of-war at large upon the ocean?

Mr. BECKER. Yes.

Senator NELSON. And they were anxious to have them supplied from our ports with coal and other supplies?

Mr. BECKER. Yes.

Senator NELSON. And that is what the Hamburg-American Line was engaged at—trying to help out in that matter?

Mr. BECKER. Yes.

Senator NELSON. And there were afterwards some convictions growing out of that matter?

Mr. BECKER. Yes. This was a proposed loan to the Ministry of War. As I recall it, perhaps not chiefly, it was in relation to commerce raiders, but I want to emphasize the fact that there is no proof that Kuhn, Loeb & Co. knew what the loan was to be for. I think the fact is of sufficient interest, however, to warrant introducing the letter. To round out our information about Mr. Kahn I shall read a letter which acquits him, an intercepted letter, intercepted by the British authorities, from one Willie Cohn to L. Zimmerman, of Zimmerman & Forshay, of New York. It is dated Malmo, Sweden, September 11, 1916, and reads in part as follows:

At present I am working out another scheme, which, if successful, will give you great pleasure. I am told in strictest confidence that perhaps I shall be

able to turn over to you the payments for the German Red Cross which have been heretofore made through Kuhn, Loeb & Co. This firm is not well spoken of here.

Apparently, although the letter is dated Malmo, Sweden, it is written from Berlin. That was a method of communication which they had. To continue the letter:

This firm is not well spoken of here, of course, although Warburg and Schiff have the warmest sympathy. After the recent incident with Otto H. K. about which you sent me a newspaper clipping, it will be necessary to revise one's opinions a little more thoroughly than heretofore. The news that Otto H. Kahn's daughter has gone to Paris as a nurse aroused great interest here. The man grows more and more unsympathetic and it reminds one vividly of the birds that foul their own nests.

Senator REED. That is dated when?

Mr. BECKER. September 11, 1916.

Senator REED. Two years after the war began.

Mr. BECKER. That is a letter furnished to me by the British authorities.

The bank accounts of Dr. H. F. Albert were divided into special accounts. For instance, in one bank account he would carry the account in the name of H. F. Albert; in another in the name of H. F. Albert and J. von Bernstorff; in another in the name of Dr. H. F. Albert K. M., meaning ministry of war department; in another in the name of Dr. H. F. Albert R. S. A. account, meaning treasury department; in another under the name of Dr. H. F. Albert R. B., meaning Reichsbank account. The purpose of these subdivisions was, as far as possible to keep the several funds separated. In the Dr. H. F. Albert accounts were kept the funds transmitted by the central purchasing agency, used for the purpose of purchasing general supplies for shipment to Germany. In the Dr. H. F. Albert and J. von Bernstorff account it was contemplated to keep the proceeds of the German war loans and remittances made from time to time by the German foreign office to New York. In the Dr. H. F. Albert K. M. account were intended to be kept funds for special use for war purposes. In the H. F. Albert R. S. A. account were intended to be kept the funds for the stabilizing of the mark exchange in this market in order that they should be not depreciated in value. In the Dr. H. F. Albert R. B. account was intended to be kept money belonging to the Reichsbank, as Dr. Albert to some extent acted as an agent of the Reichsbank in New York. It was not at times practicable to observe strictly this division into different accounts, hence you will find through Albert's accounts that propaganda payments were made out of the war ministry account, and then again they would be loaned from one of the commercial accounts temporarily, and subsequently, when the balance was restored where it was deficient, there would be a transfer of funds to make it up. That accounted for the fact that the purchase of the Evening Mail was from several different accounts. There was not enough in the one account, so Dr. Albert made the payment from several different accounts and afterwards transferred the funds back.

Senator KING. I have not been here during all of the hearing, Mr. Becker, having been called out on official business. Have you given any testimony in respect to the purchase of the Mail?

Mr. BECKER. No. I think that has been well covered by Mr. Bieaski.

Senator KING. I knew it was given by him, but I was wondering whether you had done so.

Mr. BECKER. No; I could not add much, and I think it would be improper to do so, in view of the pending trials. There was a system adopted by Dr. Albert for avoiding detection in payments, and curiously enough, while that led to temporary secrecy, it led to the ultimate disclosure of many of these plots. That was by the use of cashier's checks. Dr. Albert would write a letter to the bank requesting the bank to issue a cashier's check in favor of some one and that check would be sent to that person. There would be nothing on its face to indicate that it was German Government money. When personal checks were used, they were, as is customary, taken up by the embassy representatives at the end of each month, and in the original investigation those checks were not available, but the cashier's checks, being the bank's own vouchers, were preserved together with the letters directing them to be issued, so that although there was secrecy for the time being, that led to the ultimate disclosure of the evidence.

Senator WOLCOTT. If I understand, in a matter where they wanted to cover up their financial transactions they used cashier's checks, but in matters they were indifferent about they used the checks of the possessor of the account?

Mr. BECKER. Yes. That merely resulted in bringing out the evidence.

Senator WOLCOTT. That was a case of brilliancy, was it not, on the part of these clever fellows?

Mr. BECKER. Take the Mail case. There was an intermediary used in that case named Walter Lyon. Mr. Lyon states—and I have not the slightest reason to doubt it—that he never knew what he was handling was German Embassy funds. Nevertheless, he handled all of the money that was used by the Mail, and to finance it afterwards. Somebody, a lawyer, brought him a check drawn by the cashier of a given bank. There were whispers of some mysterious financial backer who did not want his hand disclosed, and so on, and Mr. Lyon very discreetly did not ask any questions, and he disbursed nearly \$2,000,000 in that way without ever having had an inkling of what the source of it was. I think it is perfectly proper to state that there is no evidence that Walter Lyon, acting as intermediary in the Mail case, was a conscious agent of the German Government. That was possible, of course, by the use of cashier's checks; but, on the other hand, the secrecy was not permanent. The German Government did not consider itself at all successful in floating the German war-loan bonds, and there is plenty of evidence of violent quarrels between Dr. Albert and Hugo Schmidt and between the different banking institutions in Germany, each blaming the other for the unsuccess of the flotation of the German war-loan bonds. They began apparently to suffer from a lack of funds for their ambitious purposes. I mean by that the embassy agents. As time went on, therefore, the juggling of funds from one account to another increased.

The question has been asked—and I think it is very proper to answer—whether the German Red Cross funds were used for propaganda purposes. Under the leadership of Dr. Dernberg there

was held a German bazaar; and I am informed, although I must say that I doubt it, that that realized a couple of hundred thousand dollars. But, at all events, there were large funds that were gathered for the German Red Cross purposes, and then they were turned over to Count von Bernstorff, who put the funds into one of these German accounts.

Senator STERLING. Have you any evidence relating to the German-American National Alliance and their collection of funds, ostensibly for Red Cross purposes?

Mr. BECKER. Only at the end of the receipt of the funds. There is no evidence that I know of that the funds were not formally turned over to the Red Cross representatives. We have checked up the deposits for account of the Red Cross with the remittances to Germany, and we find that credit were established with the Red Cross in Germany that were equal to the amounts deposited. However, those funds were put into Count von Bernstorff's personal account and into the joint banking accounts he had with Dr. Albert, and for the time being, temporarily, they were used for propaganda purposes; that is, they furnished the sort of credit for that purpose that could be used; although there is no doubt that the German Red Cross in Berlin received the full benefit of the subscriptions here.

Senator NELSON. After they had been used here?

Mr. BECKER. After the dollars had been somewhat soiled.

Senator WOLCOTT. That is to say, they mingled Red Cross funds with other funds, in the account?

Mr. BECKER. Yes; and it swelled their account and increased their borrowing power with the banks, which, of course, largely depended upon the amount of cash deposited.

Senator WOLCOTT. Do you know how long these Red Cross funds lingered in this country? Was it a long time, or was the transmission to Berlin fairly expeditious?

Mr. BECKER. It was fairly expeditious; but, don't you see, the deposits were constantly coming in and constantly creating a daily bank balance, which formed the basis of additional credits.

Maj. HUMES. Do I understand that the actual funds themselves were transferred to Germany, or was there only the transfer of credits.

Mr. BECKER. Only the transfer of credits. I do not think any hard cash was ever sent to Germany.

Maj. HUMES. These Red Cross funds that were left in this country were utilized by the agents in this country, and they would transfer an equal amount of credit to the Red Cross from funds in the hands of the German Government in Germany?

Mr. BECKER. That is it.

Maj. HUMES. In other words, these funds were all utilized in this country by Dr. Albert and Dr. Dernburg and their other German agents in their active transactions, and the German Government gave the Red Cross credit for an equal amount in Germany in order that the Red Cross might not suffer and that the funds here might be used for the benefit of the German Government as cash.

Mr. BECKER. That is a fair statement of it.

Senator KING. Is that true with respect to funds received from German bonds in this country?

Mr. BECKER. No; the German short-term notes were the basis of financing the embassy. The German war-loan bonds did not pass through the embassy channels. They passed through banking channels, so there were constant wireless remittances.

Senator WOLCOTT. Pursuing the thought that Maj. Humes seems to have in mind, let me suppose that these bank accounts had, we will say, \$200,000 of Red Cross money in them, and there were other funds in there to an amount of, say, \$1,000,000. Two hundred thousand dollars of that amount was Red Cross funds. There was a transfer of credit, we will say, to Berlin to the extent of \$200,000 for the purpose of making that credit available to the Red Cross over there. When that transfer of credit took place, is it not true that the account in this country would have been reduced to the extent of \$200,000?

Mr. BECKER. No; because it was not done in that way. The money was left in the bank and the bank made no transfer, as I understand.

Senator WOLCOTT. That is what I am getting at.

Mr. BECKER. The ambassador informed the German Government that the German Red Cross was entitled to a credit of a certain amount, equal to the amount of the subscriptions. The credit was sent first governmentally and not through banking channels. It may have been in some cases. I will not say that that was the invariable rule, but that was often practiced.

Senator WOLCOTT. Of course, if it had been transferred through the bank, the account would have suffered that much.

Mr. BECKER. Yes.

Senator WOLCOTT. I thought it rather strange it had not been; but if the transfer was by the Government, it is an entirely different proposition.

Mr. BECKER. I would much prefer, if the matter is of importance, in order to be fair to the German Government as well as all of the other persons it is important to be fair to, to give you an exact statement with respect to that. I have the data, but I did not bring them with me.

Senator WOLCOTT. I should think it would be well for us to have that, because if the transaction was as you describe it, the first impression upon my mind would be that the Red Cross funds really did not reach their destination.

Senator STERLING. Senator Wolcott will recall, as will Senator King, the testimony in regard to the disbursing of the Red Cross funds in the evidence in respect to the German-American Alliance; that over \$880,000 was turned over to the account of Bernstorff.

Senator WOLCOTT. And some of it to Dumba. I recall that very well. I would like to have in the record the exact facts in regard to those Red Cross funds. If Mr. Becker can prepare a statement of that for us, I think it would be pertinent.

Mr. BECKER. I will go to the Red Cross account maintained at first with Kuhn, Loeb & Co. and afterward actually transferred, and find out just what the disposition was of the transfer to Germany, and how it was done.

Senator OVERMAN. If you will prepare such data, we will be obliged to you.

Mr. BECKER. I think I have the necessary data. As I explained yesterday, I made a particular study of Hugo Schmidt, by reason of

having possession of his papers. Hugo Schmidt was not a political propaganda agent, but I think it is fair to him to state that he acted as commercial propaganda agent. However, his main purpose in this country was financial. It is revealed by his papers that he had two principal purposes, first to endeavor to replace with American banking credit the British credits that had been lost in consequence of the European war, and second, to devise a ways and means of financing exportations to Germany and smuggling them by the British blockade. In this mission Hugo Schmidt was very largely assisted by certain American banking institutions. It was while we were neutral, but they acted to the detriment of the British interests, and I have considerable data on the activity of the Guaranty Trust Co. in that respect, and would like to know whether the committee wishes me to go into it.

Senator NELSON. That is a branch of the City Bank, is it not?

Mr. BECKER. No.

Senator OVERMAN. If it was inimical to British interests it was unneutral, and I think you had better let it come out.

Senator KING. Was it an ordinary banking transaction?

Mr. BECKER. That would be a matter of opinion. It has to do with camouflaging exchange so as to make it appear to be neutral exchange, when it was really German exchange on London. As a result of those operations in which the Guaranty Trust Co. mainly participated between August 1, 1914, and the time America entered the war, the Deutsche Bank in its branches in South America succeeded in negotiating £4,670,000 of London exchange in war time.

Senator OVERMAN. I think that is competent.

Mr. BECKER. For some time, and during the war, the major part of the Deutsche Bank and Deutsche Ueberseeische bank business was carried on with the Guaranty Trust Co., of New York, and the principal individual in the bank who cooperated with Hugo Schmidt in facilitating operations was Max May. One of the first things done was to assist the Deutsche Bank in acquiring the credits that had been confiscated by the British in London, Max May going to the extent of cabling to the London office representing that the balance to the credit of the Deutsche Bank in London was the property of the Guaranty Trust Co., to be used as an offset. I shall read in evidence Hugo Schmidt's letter to the Deutsche Bank, followed by the direct cable of the Guaranty Trust Co.:

BECKER EXHIBIT No. 24.

GERMAN BANK, *Berlin*.

NEW YORK, *January 16, 1915.*

I am in receipt of cable communication from B. A. T.—

That is the Banco Aleman Transatlantico—

I am in receipt communication from B. A. T. in Rio containing information from the Guaranty Trust Company in London, according to which the English Government has confiscated the account of the B. A. T., Rio, which they had with the Guaranty Trust Company in London.

I immediately called at the Guaranty Trust Company and ascertained to my great surprise that the various branches of the B. A. T. still had accounts or deposits at the Guaranty Trust Company, London, and that the English Government has suddenly seized these accounts. I called Mr. May down for it, and told him that the German Bank was already very much put out over the accident of the 100,000 pounds when they paid out the money on prima drafts without having the endorsed second drafts, and that now after this occurrence he may be assured that the German bank will sever their connections with the Guaranty Trust Company.

He tried to explain to me that the branch in Rio had at the time expressed the wish to have the account placed with the London bank, of course, under the assurance that no risk was attached thereto. They submitted this matter to their branch in London, and received the reply that the English Government has no objections to such accounts. I then told him that the least he should have done was to inform me of this, before he transmitted this account to the London bank, to which I would never have given my consent. He has now promised me to do everything in his power to save the B. A. T.

He has immediately sent the cables, as per copies attached, to the Guaranty Trust Company, London, and, according to information received in the meantime, the matter seems to be in order again.

The occurrence is significant, however, and shows that one cannot rely upon any information and explanation given by the English government.

I shall inform you further in the matter, and would ask you kindly to acquaint Mr. Krusche with the contents of this letter.

With best regards, cordially.

I now read the cable of the Guaranty Trust Co., of New York, to the Guaranty Trust Co., of London:

All Sterling balances Rio Sao Paulo Lima Santos and others your books have been and are ours in pursuance arrangement between banks and ourselves to cover their overdrafts here you must transfer our credit immediately wire us amounts and return to us all their remittances now in transmission advise Treasury Officials stop the opening those accounts with you was for our convenience and concerns us alone.

The Guaranty Trust Co. also made it possible for Hugo Schmidt to carry on foreign exchange business on London for account of the several South American banks by agreeing to collect exchange for Hugo Schmidt and the Deutsche Bank on London with dummy indorsement, Hugo Schmidt filing with the Guaranty Trust Co., of New York, a private letter of guaranty. The dummies used in New York were John H. McClement and the Standard Mercantile Agency.

In that connection I will call attention to a letter of the Guaranty Trust Co., of New York, dated May 17, 1915, addressed to Mr. Hugo Schmidt, care of John H. McClement, Esq., New York [reading]:

BECKER EXHIBIT No. 25.

DEAR SIR: It appears that all your offices throughout South America and elsewhere are in the habit, in order to avoid the effects of the English proclamation prohibiting dealings with the enemy, of having nominees of theirs make remittances to our London office for our credit. Unfortunately, our London office, by reason of previous large experience with similar items, has gained wide knowledge of such practices, and as they deem a compliance on their part with the law absolutely essential for the good standing and the continued welfare of this Company in London, they have requested us earnestly to take such steps as we deem necessary for their relief from future operations of this kind until after the War. We, ourselves, are always glad to assist you, and, neutrals, of course, are perfectly willing to handle your business so long as it can be done without detriment to this company in relation to our London office. We would, therefore, suggest that all remittances of any kind, whether by mail or telegraphic transfer, be made to the London City & Midland Bank Ltd., for our credit. It is most essential that the fact that such remittances emanate from you or concern you is not disclosed, nor must it appear in any manner on the items or on the advices that accompany remittances that the enemy of England is in any manner implicated. So long as due caution is observed in the handling of this business, we have every reason to believe that London City & Midland Bank will accept business for our account.

Yours truly,

mm/m

JAMES MINOTTO,
Division Manager

Now, further, with reference to this matter of London exchange. At the breaking out of the European war the branches of German

banks in South America, and particularly the Deutsche Ueberseeische Bank, a subsidiary of the Deutsche Bank of Berlin, found themselves at a great disadvantage, since most of the business in South America is transacted in exchange on London. The inability to transact business in London exchange would have put them completely out of business. The British naturally shut down all connections with German institutions. Here, again, the resourcefulness of Hugo Schmidt and the branch managers of the several branches of the Deutsche Ueberseeische Bank in South America succeeded in hoodwinking the British and in meeting the wants of the South American clients by continuing to purchase bills of exchange drawn by South American shippers on London at the ordinary market rate and, in a good many instances, at a better rate than the British and branch banks, and the proceeding to collect these bills on London under the noses of the British, by the following process: Hugo Schmidt, of New York, created what was known as the Standard Mercantile Agency. That was a registered trade name, in the name of one of Schmidt's clerks. He instructed his branch managers in South America to purchase bills from the customers; however, not to indorse the name of the Deutsche Ueberseeische Bank or any other German sounding name, but rather have the bills drawn by Spanish dummies, organized for that purpose, and to remit the bills to Hugo Schmidt in New York. As soon as the bills were received in New York by Hugo Schmidt he would proceed to indorse them in the name of the "Standard Mercantile Agency," and then sell them in the New York market to prominent banking institutions, such as the Guaranty Trust Co., the Bankers' Trust Co., the Equitable Trust Co., and the National Park Bank—principally the Guaranty Trust Co. In case the American bankers required the indorsement of the Deutsche Bank, Hugo Schmidt would guarantee them by a private letter of guaranty; and by this process the bills reached London and were collected from London bankers. One of the men associated with Hugo Schmidt in this scheme was John H. McClement, of 165 Broadway, who had been a representative of the Deutsche Bank for a good many years. Thus the Deutsche Bank received credit for the same in New York, instead of in London; and, where it was desirable to credit the account in London, the account was so credited in the name of the "Standard Mercantile Agency," or other dummies used for that purpose by the Deutsche Bank. By this method, notwithstanding the vigilance of the British Government and of the British bankers, the Deutsche Bank and its branches in South America, succeeding in negotiating, between August 1, 1914, and the date that America entered the war, £4,676,607 of London exchange.

Senator OVERMAN. That amounts to nearly \$20,000,000.

Senator REED. That was what date?

Mr. BECKER. That covers the period of our neutrality.

Senator REED. The whole period?

Mr. BECKER. The entire period; yes.

Senator REED. There were other banks, including these banks, that were doing business constantly with England and France?

Mr. BECKER. Yes; and following the same principle of "bankers' neutrality."

Senator REED. Yes.

Mr. BECKER. I have several other letters here relating to the matter which will further support the statements I have made.

In the matter of financing, Hugo Schmidt also devised a scheme whereby he sent American gold to the branches of the Deutsche Bank in Barcelona and Madrid through the British blockade by entering into an agreement with the National Bank of Spain whereby they would act as the dummy receivers of shipments of gold made by Muller, Schall & Co., of New York, and, in turn, would deliver it to the Deutsche Bank interests. The resourcefulness of Hugo Schmidt made it possible for the Deutsche Bank and its subsidiaries and branches to continue an uninterrupted banking business on London and Paris by utilizing American dummies and dummies in all the neutral countries where the Deutsche Bank had branches.

Now, something with reference to exports to Germany. With the tightening of the British blockade, and especially with the threat of the Orders in Council, I think, of April, 1915, which Germany foresaw, the German Government perceived the difficulties that it would have in getting merchandise into Germany, and the necessity for an organization for that purpose. I have here a letter from the Deutsche Bank to Hugo Schmidt, which relates to the method that they proposed to use. This is a letter dated the 28th of December, 1914, addressed to Director Schmidt, New York:

Upon the suggestion of the War Ministry and of the Central Imperial Council, there have been created a series of bureaus of accounts which are in combination with a part of the great banking institutions. There have been assigned to us the provisions for the caoutchouc industry, the oil mills, the soap and stearine factories, the varnish and paint factories, and more lately, the resin manufacturing industries. For the latter, the raw materials must be purchased in North America. Savannah is the principal point of export for resin. The purchases over there are to be undertaken by Mr. Robert Rauh, in connection with yourself, to whom the accompanying letter of his brother is addressed and who will get into communication with you regarding the further details.

There are other matters of considerable interest in that letter, but I will not take the time to read it. It shows how the bank and the industries got into touch, each bank having a certain class or kind of imports and industries to look after and to attend to the financing of in foreign countries.

Senator OVERMAN. The whole letter should go into the record. should it not?

Mr. BECKER. Yes; I think it is of interest enough to warrant it.

(The remainder of the said letter of Dec. 28, 1914, reads as follows:)

We beg leave to request that you transmit the enclosed open letter to Mr. Robert Rauh and make him acquainted with your address. (In the margin, opposite the last sentence, the following: As regards the question of financing, it is to be done through acceptances of a bank over here.) As regards the dealings in resin, it is highly important that this matter must be attended to at once. The supplies at hand in the Empire are at present for the most part exhausted. While this article is not without uses for war purposes, it also plays a not unimportant role in the paper industry and in the supply of lubricating oil, so that a lack of it would be deplorable. In this connection, it happens that at the present, resin is not on the contraband list, and that in neutral lands, we do not as yet know of any embargo on this product. Since, however, these export restrictions are increasing and also the contraband list is being enlarged, it is not unlikely that we may soon have to reckon with difficulties in the importation of resin. The more that can be put on its way here immediately, so much the better for the interests of our people.

Furthermore, we furnish herewith for your personal information a copy of the letter to Mr. Rauh, in which is more plainly set forth the place which the resin producing industries occupy in our commerce. The provision mentioned on page 3 of one per cent. for the services of Mr. Rauh, as also clearly appears by the text of the letter, is not yet finally decided upon. In other respects, there are no changes to make in the matters stated in the letter. Regarding the personality of Mr. Rauh, we must reserve judgment, and should be glad to hear from you regarding that matter.

Cordially yours,

DEUTSCHE BANK.

Mr. BECKER. To the Deutsche Bank of Berlin, and the Deutsche Ueberseeische Bank was allotted the major part of cotton, wool, jute, rubber, and sundry food products. Hugo Schmidt, with the cooperation of his main office in Berlin, and Dr. H. F. Albert devised the following scheme of getting imports into Germany through the allied blockade. Arrangements were made in Scandinavian countries, in Switzerland, in Holland, and in Italy, with merchants and banks of some prominence, to receive shipments made ostensibly for a neutral country to which it was consigned, and immediately upon arrival it was re-marked and forwarded into Germany. At the same time, in order to deceive American shippers who were not in sympathy with the German cause, whose suspicions would have readily been aroused if payment was offered to them through the Deutsche Bank or any of its branches, Hugo Schmidt devised means to furnish letters of credit on the Guaranty Trust Co., the Equitable Trust Co., and Bankers' Trust Co., by giving a private letter of the Deutsche Bank guaranteeing said credits. Thus, an American cotton shipper in Montgomery, Ala., would receive an order for a shipment of cotton from, say, Merkel & Co., of Basle, Switzerland, accompanied with instructions to draw against a certain letter of credit that Merkel & Co. had opened with the Guaranty Trust Co., of New York. The transaction, on its face, was a bona fide order by a Swiss merchant, and payment by a perfectly good American bank, while Hugo Schmidt stood behind the scene, with his private letter of guarantee to the American banking institution, smiling at the joy of hoodwinking the British blockade. The neutral merchants and institutions involved in this scheme to assist Germany in obtaining imports from the United States were Merkel & Co., of Basle; Baseler Handelsbank, of Basle; Rotterdamsche Bankvereiniger, of Rotterdam; Lindelof & Co., of Guttenberg. Sweden; Paul Rinehart & Co., of Winterthur, Switzerland; Scandinavian Kredit Aktiebolgat, of Guttenberg. In this way, between August 1, 1914, and the time we entered the war, the Germans succeeded in getting into Germany, through the Deutsche Bank alone, as disclosed by the Hugo Schmidt-Deutsche Bank papers, \$3,272,276 of wool, \$287,250 of jute, 419,759 bales of cotton, \$443,000 of canned salmon, \$497,500 of rubber, \$566,100 of dried apples, \$255,000 of lard, \$650,000 of copper, \$86,000 of wax, 18,700 bales of tobacco, 218,174 bags of coffee.

It might be said, however, that some of those transactions were not absolutely secret transactions, and to a certain extent, on account of the interest of the United States in obtaining certain things, such as dyestuffs, that Germany could furnish the United States, the State Department assisted in arranging with the British Government for the passage of shipments into Germany, it being understood that a like amount of dyestuffs would be allowed to come to the United

States out of Germany. Later on, the British Government, however, took a much more stringent attitude on that.

Senator REED. Does not that cover the main part of the items you have just read?

Mr. BECKER. Not the main part; no. A large part of them were disguised transactions, which not even the British knew were not for neutrals, but for Germany. Besides, at this time the so-called principle of the "through voyage" to destination was not so firmly established as it was later, or so firmly enforced by the British Government.

Senator REED. Goods were being sent over here all the time? This was during the period of neutrality?

Mr. BECKER. Yes.

Senator REED. And goods to the value of many millions of dollars were being sent to other countries all over the world?

Mr. BECKER. The ultimate result was to raise the presumption on the part of England that many of the goods ostensibly destined to neutral countries were really intended for Germany, and England began to jump to that conclusion upon very slight evidence.

Senator REED. And our Government took the opposite conclusion. I suppose?

Mr. BECKER. Yes; there was a long argument about that.

Senator OVERMAN. And out of that situation, I suppose, grew our embargo act?

Mr. BECKER. Yes; in part. I might refer very briefly to what has sometimes been called the "Wool Plot." That was the subject of an extended investigation, with many hearings.

Senator WOLCOTT. The wool plot?

Mr. BECKER. Yes; and it came down to this—

Senator WOLCOTT. Mr. Chairman, these things are all exceedingly and intensely interesting, but the question has arisen in my mind whether under our resolution we are concerned about them?

Senator OVERMAN. I think it does not do any harm. It is all interesting.

Senator WOLCOTT. Yes; it is very interesting, I will admit that; but I would like to see the committee begin to get somewhere near the end of its investigation. I do not, however, raise any objection. I simply suggest that.

Mr. BECKER. I will file that record with the committee without making any reference to it, except to say that the United States Government acceded to a plan for the control of wool imports, in the joint interests of the British Government and the American consumers of wool. The idea was that the British Government did not wish wool to reach Germans. I do not mean Germans in this country; they had no objection to that; but the British Government did not want wool to reach Germany; so the British Government wished to control the imports into the United States of British wool. Of course, the British Government could have put an absolute embargo upon it, but it did not choose to do that; it chose rather to control it. So there was a joint agency formed, which represented both the American manufacturers of woollen goods and the British Government, known as the "Textile Alliance."

The purpose and function of the Textile Alliance was to develop full information in regard to American imports of British wool, and

to see to it that they were used in American mills, and distributed to American consumers. The German agents were, nevertheless, very anxious to accumulate stocks of wool, for various uses and reasons. One was that they expected the war would soon be over, and then—and perhaps before that—they would be able to get the wool into Germany, and obtain a raw material which was, even then, almost exhausted in Germany, as the evidence shows. So they devised the scheme of using dummy American purchasers, who were certified to be the real purchasers, and then, by the same Hugo Schmidt system of concealed guarantees, the actual purchasers in Germany were the guarantors of the credits; but they appeared to be credits established by American firms, so that by that scheme, the regulation by the Textile Alliance was defeated, and British subjects were, without their knowledge, actually put in the position of selling wool to German subjects; and that continued to the extent of millions of dollars worth of wool.

I want to emphasize that there was always something in the nature of a propagandist purpose connected with commercial expansion and commercial schemes of the Germans. The idea of propaganda for world expansion, advertising Germany everywhere, was constantly running in the typical German mind. For instance, on September 14, 1915, Hugo Schmidt wrote to the home office of the Deutsche Ueberseeische Bank, at Berlin, advising the opening of a new branch in Brazil, at Curitybas. He says in that letter:

Extensive sums are not necessary to accomplish this, and we could, through the establishment of such a branch, show the other nations that we are progressive and have lost none of our elasticity and vigor.

It appears by a letter of Hugo Schmidt's and by letters of various correspondents in South America that they were constantly trying to make loans, even during the war, when they had none too much credit themselves, to South American Governments. They were negotiating a large loan with the Peruvian Government and another with Chile. That was going on even late in 1916.

Senator NELSON. That is, they proposed to make loans to those Governments?

Mr. BECKER. Yes; the German banking institutions, to hold them in line. It was a species of war propaganda, to hold them in line.

Now, the remainder of what I have to present is more or less of a miscellany, and the matters are rather disconnected, but I think they may be of some interest to the committee.

The Banco Aleman Transatlantico, or the Deutsche Ueberseeische Bank, at Rio Janeiro, under date of August 19, 1918, sent a reply to a proposition that Hugo Schmidt had made that the Banco Aleman Transatlantico should engage in importing coal from the United States. The manager of the Banco Aleman Transatlantico, at Rio Janeiro, stated that after consultation, the scheme was impracticable, since exports from England had been interfered with in consequence of the war and that he had also communicated with a secret agent of the German Government who was charged with supplying coal to the cruisers and raiders, and that he had several tons of English coal purchased for that purpose, and was unable to dispose of the same.

I thought it would interest you to know that the German raiders that were operating off the coast of South America were coaled with English coal that had been purchased by a secret agent of Germany.

It appears that the Deutsche Bank, through the Deutsche Ueberseeische Bank, held 1,180,000 marks of stock in the Banco Mexicana de Comercio Industrial; in other words, the Mexican Bank of Industrial Commerce. It appears by his papers how that bank was used in financing propaganda and intrigue in America.

Mr. Bielaski has given you a very full account, and so has Capt. Lester, as I understand, of the activities of William Bayard Hale. Hale returned to the United States from Germany in the early part of 1917. You will recall the mayoralty campaign in New York that fall, of Morris Hillquit, the candidate of the Socialist Party, and his antiwar platform. I have here a clipping from the New York Call. Has this been referred to already?

Capt. LESTER. No.

Mr. BECKER. I have here a clipping from the New York Call of Saturday, October 6, 1917, headed "Victory." The finance committee of the Greater New York campaign has been organized with the following members: A. W. Ricker, chairman, and the name of William Bayard Hale is the next name that appears on the list.

Here is another clipping from the New York Call of Monday, October 8, 1917:

William Bayard Hale, long-time friend and official biographer of President Wilson, and editorial assistant to Wilson in compiling "The New Freedom," has applied for membership in the Socialist Party, and will vote for Morris Hillquit and the rest of the city ticket. Hale's progenitors were among the early English colonists. He has long been a prominent member of the Sons of the American Revolution—

Senator REED. I would like to inquire here if it is the purpose now to reflect upon the President of the United States by bringing in the fact that a man once connected with him afterwards joined the Socialist Party, and to do that under the pretext that that is proving German propaganda?

Mr. BECKER. Absolutely not.

Senator REED. That is absolutely and solely the only purpose which could result from the testimony given; and, as a Member of the Senate and not of this committee, and begging the indulgence of the committee, I protest against that course of conduct.

Mr. BECKER. If the Senator had been present and had followed the course of the hearings here, he would know that on the date when William Bayard Hale appeared as a member of the Socialist Party and the champion of Morris Hillquit, it appears by the testimony which has been offered here by Mr. Bielaski that his contract with the German Government had not run out.

Senator REED. That does not make any difference. That does not form any excuse for dragging the President's name in here.

Mr. BECKER. Nothing that Hale could say could damage the President's reputation a particle.

Senator OVERMAN. I do not see how it could damage the President. It is a well-known fact that the President employed this man, but he did not know that he was a German agent.

Senator REED. Nothing that Hale could say could damage the President, and it might be also true that nothing you could say would damage the President.

Mr. BECKER. I would never make the attempt.

Senator REED. But you are occupying a position here in which you are trying to couple intimately the name of a discredited man with that of the President of the United States, and reading into this record that Mr. Hale collaborated with the President in writing his "New Freedom." What has that to do with German propaganda? It is up to the committee. I have said all I want to say about it.

Senator OVERMAN. I think the article shows that that was spoken of incidentally. It shows that while he was a German agent here he joined and became a member of the Socialist party. What do you think about it, Senator Nelson?

Senator NELSON. Yes.

Senator WOLCOTT. I have been running this over in my mind.

Hale is shown, by pretty conclusive proof, to have been in the pay of the German Government. He was a German propagandist prior to our entry into the war. He was in Germany. He came back to this country and took part in the New York mayoralty campaign when Morris Hillquit was nominated for mayor. This man, who had been in Germany and was a German propagandist, joined the Socialist party and advocated the election of that man for mayor, according to the newspaper advertisement.

What does that prove? It proves that Hale supported Hillquit for mayor.

How does it bear on propaganda—unless you are going to infer from that slender and for evidential purposes worthless fact that the Socialists were expressing the propaganda that Hale was interested in?

I say if you infer that, you infer it upon a slender, and, for evidential purposes, a worthless fact.

The only thing that justifies the statement that the Socialists were interested in German propaganda is the fact that Hale, a German propagandist, was going to vote for their candidate. I say that is not, in fact, a justification for any conclusion.

Senator NELSON. The platform of the Socialist party in that campaign—

Senator WOLCOTT. The Socialists may have been, as far as I know—I do not know anything about it—pro-German; but I say it is not proved by the fact that some pro-German voted for their candidate.

Senator REED. But the point I am making is clear beyond that, Senator. Even if the facts that you have discussed were competent to prove—and I am making no question about it—in order to prove it, it is necessary to bring in a statement here that a discredited man once worked for the President of the United States.

The chairman of the committee says that comes in incidentally. The trouble is that all this scandal comes in incidentally.

Senator OVERMAN. We will let it go in.

Senator REED. I protest against it; and I am going to protest on the floor of the Senate against that sort of thing.

Senator OVERMAN. You have the right to do it. It is known that Mr. Wilson had William Bayard Hale employed on the Mexican proposition, but after that time he became a German agent.

Mr. BECKER. I can add a little more to that. I have the sworn statement made before me by Matthew B. Claussen, that it had been stated in the conferences of the Germans that they believed that Hale

would be able to exercise influence on President Wilson for the German cause; and that they had been grievously disappointed because he had been able to exercise absolutely none.

Senator REED. I again protest, Mr. Chairman. This witness now undertakes to say that the Germans expected to influence President Wilson, and that they were counselling to that end. I protest that it is not a proper use of the committee.

Senator WOLCOTT. It seems to me, Mr. Chairman, that this does bear on the question of propaganda, showing to what extent they were prepared to go, and trying to go; that they were even hoping to be able to get somebody to influence the President; but that the fact is, of course, as just stated by Mr. Becker, that they failed, absolutely and completely.

Senator NELSON. Yes.

Senator WOLCOTT. There is no reflection on the President in that; but there is the trail of this propaganda.

Senator NELSON. Yes. I think it is a very good thing to show that they even attempted to influence the President.

Senator WOLCOTT. It shows how far and to what extent they were hoping to reach.

Senator NELSON. Yes.

Senator WOLCOTT. I think that is material.

Senator REED. Well, it may be.

Mr. BECKER. I regret that anybody should infer that anything that Hale said or that any German said could possibly cast the slightest imputation or stain upon President Wilson.

Now, Hale issued this statement—to continue reading from the New York Call. I was interrupted in the middle of a paragraph. (Reading:)

Hale's progenitors were among the early English colonists. He has long been a prominent member of the Sons of the American Revolution. He has been a lecturer at Oxford University.

Hale issued this statement:

"I know no way in which a citizen of New York who treasures its sacred traditions of liberty and who desires to make our land again safe for democracy can do his bit more effectively than by voting for Morris Hillquist for mayor. Both the old parties have become subservient, body and soul, to the overweening assumptions of the capitalistic classes.

A vote for the Socialist ticket in New York on November 6th will serve notice on the group which is today assuming to administer our affairs that the people of the United States are citizens, not subjects; that freedom of opinion, of speech and of the press for which our forefathers fought still is to us a precious heritage, and that the sound common sense of loyal patriots will not endure a delirious persecution of freemen such as had not been ventured upon by any chesty oligarchy, political or religious, since the days of the witchcraft delusion.

The indignation of old-time Americans over these measures is unspeakable. The silent vote that will be thrown for the Socialist candidates in November will astonish those temporarily in office. Some of us, of old American stock, are not concerned that our votes be silent. I, for one, am willing to shout mine through the biggest megaphone I can handle.

Mr. Hillquist is, at the moment, the most striking figure in American politics, a representative of opposition to the capitalistic system which has engulfed our beloved land in war.

Every vote for the Socialist ticket in New York this November will ring the bell which registers the demand of Americans for faithfulness to our ancient ideals; will hasten the dawn of the peace which all the world desires, and will ring out a joyful peal of hope for the splendid American boys who are about to be thrown into the mad cauldron of European politics.

To go back to a somewhat earlier date, before we entered the war, I have the evidence of Earnest Bohn, secretary of the Central Federated Union of Greater New York and vicinity, to the effect that early in 1915, as I understand it, William Bayard Hale furnished \$400 for a meeting of the union at Carnegie Hall.

Senator OVERMAN. What union is that?

Mr. BECKER. The one that I referred to—the Central Federated Union of Greater New York.

Senator REED. That is all the unions, is it not?

Senator OVERMAN. What was this Federated Union engaged in, that you are talking about?

Mr. BECKER. I want to gather together the dates, and give you the connected story, Senator, as well as I can. With your permission, inasmuch as I find that this is not in very good order, I will save it until the afternoon.

Senator OVERMAN. All right.

Mr. BECKER. Some reference has been made here to the trip to Roumania of Hale and Louis Edwards, his secretary; and it has been stated that it was on business of the German Foreign Office.

I have here Edwards's passport, and it bears the visé of the Royal or Imperial Consul at Bucharest. There is one place requiring the entry, under the heading "Deutsches Firmen," or the German firm, and entered under it is, in German, "The German Foreign Office."

Senator OVERMAN. That shows that he was indorsed by the German Government, and got passports accordingly?

Mr. BECKER. It shows that when they arrived in Bucharest and had their passports viséed at the German consulate there, and were asked—or possibly were not asked, but at any rate when the consul came to insert—the German firm that they were connected with, he wrote in there "German Foreign Office," being, as the Germans often are, the victims of too much—

Senator NELSON. That is, instead of being the representative of a commercial firm he was a representative of the German Foreign Office?

Mr. BECKER. Hale and Edwards—of course, this is only Edwards; Hale's passport is not here; he has not condescended to show it to us; but Edwards's passport—and doubtless Hale's also—I should say, bears the notation that they were on a mission for the German Foreign Office, in that form. That was explained by Mr. Bielaski.

It appears by the deposition of Louis Durant Edwards, which I have here, that in 1916 there was sent a so-called Fourth of July message, signed by Chancellor von Bethmann Holweg, which was published in the Hearst papers a few days later—it did not reach America quite in time—and was spread all over the first page of the Hearst papers, a Fourth of July message to the American people, so-called.

Senator WOLCOTT. What year was that?

Mr. BECKER. 1916.

That was a message of peace and good feeling between Germany and the United States; and Edwards testifies that the entire thing was written by Hale, from start to finish, and taken to the German Imperial Chancellor, and that he obtained the chancellor's consent to have his name appended to it, as a message from the German people to the American people.

There is to be found a singular proof of that statement, or a corroboration of it, in a pamphlet entitled "American rights and British Pretensions on the Seas," which was prepared by William Bayard Hale, as appears by the title page.

One of his chapters is entitled "The Summit of Arrogance," referring to Great Britain's conduct; and on page 15 there is the expression, in effect, that Great Britain is "exercising the most tyrannous police functions."

A little later there is a reference to "an island's municipal statutes"—rather unusual phrases; and both of those will be found in the Fourth of July message to the American people.

Now, a few references as to the activities of Dr. Dernburg. I have here his engagement calendar during the period of his stay in the United States.

Senator STERLING. Before you go into that, have you any evidence relative to the pay received by Dr. Hale on account of his mission to Roumania, or the pay received by Mr. Edwards?

Mr. BECKER. Mr. Edwards received no pay. He went over for experience and his expenses, and never received compensation.

I have no information about Mr. Hale's arrangement with the German Government after he left the propaganda bureau here in New York. I have the proof that before that he was compensated at the rate of \$15,000 a year. Mr. Bielaski has the information in regard to the contract with the German Government.

Senator NELSON. And he said it ran on for four years—until this year, some time?

Mr. BECKER. Until June, 1918.

Senator NELSON. Yes.

Mr. BECKER. Of course, as a matter of law, it would be terminated, he being an American citizen, by the declaration of war.

Senator NELSON. Yes; probably that canceled it.

Mr. BECKER. The question is whether it was terminated in fact.

Senator STERLING. Have you any evidence of the pay he received on account of his work for the Hearst papers?

Mr. BECKER. Mr. Bielaski has given evidence with reference to that, Senator. I do not recall the figures, exactly, but it was substantially equal to the German Government pay, or more.

Senator NELSON. His expenses were so enormous there that with his pay and expenses over there it amounted to more than what he got from the German Government, or was to get from the German Government. I forget how it was. It seems to me that \$15,000 was mentioned.

Senator STERLING. Yes; \$15,000.

Senator NELSON. Was that a year or a week or what?

Senator WOLCOTT. A year.

Senator OVERMAN. \$15,000 a year and expenses, I think.

Senator NELSON. \$15,000 for the trip, I supposed.

Senator OVERMAN. What was that? Was it annual, or was it for the trip?

Senator NELSON. What was he to get from Hearst? What does the testimony show that he was to get from Hearst—I am speaking of Hale?

Maj. HUMES. \$500 a month, was it not?

Mr. BECKER. It was much more than that.

Senator WOLCOTT. Where did the item of \$15,000 come in?

Maj. HUMES. He got \$15,000 from Dr. Fuehr's bureau over here. That is what he was getting from the German Government—\$1,250 a month.

Capt. LESTER. That was before he went to Europe for the Hearst papers. I do not recall any evidence as to what he was receiving—

Senator NELSON. What was he getting from the Hearst papers when he was a correspondent for them?

Maj. HUMES. I do not remember that we have any evidence on that. It seems to me there was mention made of it in some statement from either Mr. Hearst or Mr. Merrill published in the papers, after the testimony was adduced here; but there is no evidence, I think, on the record here as to what he was getting.

Capt. LESTER. There is a telegram here showing the new arrangement.

Senator WOLCOTT. Let me see that, please.

Capt. LESTER. Here it is.

Senator OVERMAN. He was getting a salary from both sides, anyway. That seems to be evident. I do not know what the amount was.

Mr. BECKER. I think I have already a full statement of the activities of Dr. Dernburg, as far as I wish to mention them.

I have his engagement calendar here, and I want to state, as there has been so much talk about scandalizing, that if the list of names there were given it would be pure scandalizing; because he had engagements with a lot of people about whom inferences would be drawn that would be wholly unwarranted from the facts.

Senator OVERMAN. We will not put in those names, then.

Mr. BECKER. I do not think they should be put in, by any means. There are 15 or 20 or 25 names of perfectly loyal Americans in there, and perhaps more.

I would like to call attention to an instance of film propaganda—German war films; and personally I am interested because, on account of some publicity that I gave to this matter, I have been sued for \$50,000 for libel, by them; but I am willing to repeat it.

There was a gentleman named Benjamin Blumenthal, who reached Berlin, and in 1916, according to his own statement, which was taken at the time, he went to the German Foreign Office—no, to some branch of some other department, it is not quite clear which, and bought what was called the Official German Film; and he states that he is not clear what department he got it from, but that he purchased it from a Capt. Schraeder in a Government office in the military department.

The question was asked:

They were for sale by some department of the German Government?—A. Yes.

Q. What was the name of that department?—A. I do not know. Something—military department or something; I don't know.

Q. What was the name of the particular person that you dealt with?—A. I think Capt. Schraeder.

Q. How much money did you pay for them?—A. I paid 2½ marks a meter.

I am informed by persons skilled in such matters that that is away below the ordinary charge; in other words, these German official films were sold cheap.

Q. How many meters were there in it?—A. Let us see. There were about 4,000 to 5,000 meters, or something like 11,000 feet. I think it cost me somewhere around 12,000 marks, or something like that; 10,000 to 12,000 marks.

I am informed that those films were brought to this country in the submarine Deutschland, and Blumenthal states that he retained the New York rights, and that he showed them in the Strand Theater, and that he sold some State rights—Ohio, Indiana, Michigan, and some western territory—but whether they were shown there or not he does not know.

I have here a synopsis of this official war film, which was prepared for circulation, and I will read it so that you can conclude as to whether it is German propaganda or not; that is, whether the film was German propaganda:

BECKER EXHIBIT No. 26.

"Germanic" Official War Films (Inc.), 729 Seventh Avenue, New York.

SYNOPSIS OF GERMANY AND ITS ARMIES OF TO-DAY.

1. *The Kaiser at the west front.*—This depicts the German Emperor with his armies on the Somme front, reviewing his troops and decorating valorous officers and soldiers. We see him in his human side, first recognizing an old acquaintance in the ranks, who happens to be only a private, and shaking hands with soldiers and officers. Note the astonishment on the ordinary soldier's face when this is done, the soldier forgetting to salute at the honor accorded.

Length approximately 625 feet.

2. *Lille during the third year of the war.*—These pictures, taken toward the end of 1916, show the life going on in this big industrial center, only 4 miles from the foremost English trenches, as though no war existed. The only way in which one notices the close proximity of the war is by the numerous soldiers walking through the streets and parks. We see in the parks the French civilians mixing with the German soldiers in an amicable manner. We see the State Theater standing unhurt, with ruined buildings on all sides, as though it were either Providence or the good German marksmanship which had protected it. Note the manner in which the cattle are killed, all parts being used for different purposes to feed the army. It seems quaint to read one sign in French and in the next house to see a sign in the German language. These are most interesting records of the invasion of one country by another, and gives one the most vivid description of what war really is and what would happen if New York should fall into the hands of an enemy.

Length approximately 1,000 feet.

And so it continues:

4. *Artillery works in back of the trenches.*—The main reason for the German success is here vividly seen by their wonderful power and ingenuity in adapting themselves to conditions, transforming a French railway station within a few miles of the foremost English trenches into an artillery workshop, with all modern appliances and improvements, ready at a moment's notice to repair any damage done and without loss of time to send same back to the trenches to do their deadly duties. Here we see hundreds of different guns of all calibers and sizes in all conditions, used for all different purposes, anti-aircraft guns, large motors, bomb throwers, etc. This is the first authentic record of German guns and the first time the description of these was ever allowed to leave the country.

Length approximately 460 feet.

Then there is a description of how certain Mohammedan prisoners of war were allowed to carry out their special faiths, a special mosque being built to allow this worship in Germany.

It shows Berlin—everything going on as usual. Notice this as to St. Quentin and the west front:

7. *St. Quentin and the west front.*—We show here the life in these quiet French villages, now under German martial law, the horrors of the refugees being forced to leave their homes owing to the attacks of their own armies, all of these towns being lifeless.

Senator WOLCOTT. You say you have been sued for libel in connection with that?

Mr. BECKER. For intimating that this was a propaganda film, and that this man was engaged in German propaganda.

Senator WOLCOTT. It does sound very suspicious, I must say.

Mr. BECKER. On January 3, 1917, Dr. Fuehr wired the central section for foreign service, Zentralstelle für Auslandsdienst to indicate whether Blumenthal and Fisher had the exclusive rights on the films imported for them.

Senator OVERMAN. Have you any more in connection with that?

Mr. BECKER. That is all on that.

Senator OVERMAN. We will take a recess until half-past 2.

(Whereupon, at 1 o'clock p. m., a recess was taken until 2.30 o'clock p. m.).

AFTERNOON SESSION.

The subcommittee met, pursuant to the taking of the recess, at 2.30 o'clock p. m.

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Mr. BECKER. I shall now give the substance of the statement of Ernest Bohm, relating to his contacts with William Bayard Hale. He states that the Central Federated Union of Greater New York and vicinity, with which he was connected as an officer, was on record in 1915 as being opposed to the United States becoming involved in the war; that he received a call from a representative of William Bayard Hale about June, 1915, in the course of which Mr. Hale's representative stated to him that Hale was interested in this peace propaganda and wanted to support it if the occasion should arise. Later on a meeting was planned which was to take place on August 22, 1915, for the purpose of a protest against war, etc. The meeting was to be held at Carnegie Hall, and a lady in New York, whom I think I need not mention, as a member of the committee, had promised to pay the bonus for the hall, amounting to \$500. She had deposited \$100, and when she found out that William Jennings Bryan was to be one of the speakers she refused to have anything more to do with it. That happened on a Friday afternoon. The meeting was to be on Saturday night. Every labor organization had received an invitation to elect 25 delegates to attend, and if the meeting had not been held it would be a great fiasco for the Central Federated Union. Bohm says:

I thought of the offer made by William Bayard Hale and got in touch as to whether I could see him on Saturday evening. I went to see him on Saturday morning and told him the situation we were up against, and he furnished us \$400 as the balance to pay for that meeting. Then he offered to write a resolution to be adopted by the meeting. That resolution was submitted to a committee of the Central Federated Union. As drafted by Mr. Hale, it contained a paragraph about stopping the shipment of munitions to the allies. The committee voted to strike out the clause advocating the embargo on arms, and with that amendment it was presented and adopted at the meeting.

Senator REED. Mr. Becker, for my own information, I want to ask you when it is claimed that Mr. Hale went into the employ of the German Government—what date?

Mr. BECKER. I know nothing about the contract or the date of it. It was testified to by Mr. Bielaski.

Senator REED. You do not have any information as to how early it was; I do not mean the exact date, but how far back it is that he was in the employ of the German Government?

Mr. BECKER. Yes.

Senator REED. If it will interrupt your testimony I will not bother you at this time.

Mr. BECKER. If you will allow me to reflect for a moment I think I can give it to you.

Senator OVERMAN. When was it, Maj. Humes?

Maj. HUMES. It was either in December, 1914, or January, 1915, that he went to work for the Fuehr bureau and took charge of the the German information service—late in 1914 or in January, 1915. He was with it for a year or a little more. A telegram of Count Bernstorff to his Government said it was a four-year contract—that it would expire in June, 1918, as I remember it. I am not sure that that telegram stated how long the contract ran, but it said it terminated in June, 1918.

Senator REED. So that at this very time that Hale put up the \$400, it is presumed that he was in the employ of the German Government?

Maj. HUMES. That is the assumption.

Mr. BECKER. There is no doubt whatever that he was at that time a member of the German propaganda bureau. That is absolutely established.

Maj. HUMES. He has admitted that fact?

Mr. BECKER. Yes. I wish to devote a very little discussion to the Citizens' Committee for Food Shipments. That was the so-called Babies' Milk Committee.

Senator REED. By the way, Mr. Becker, you do not mean to leave the impression, do you, that Mr. Bryan was in any way in the employ of the Germans, because he was going to speak at this meeting that was going to be financed by Mr. Hale?

Mr. BECKER. No. I hope I am not going to be held responsible for every wild inference that might possibly be drawn by a diseased mind from anything that I have testified to.

Senator REED. Do you mean my mind is diseased?

Mr. BECKER. No. That is another wild inference. Not at all.

Senator REED. A man who has been drawing as many as you have might suspect others.

Mr. BECKER. The Citizens' Committee for Food Shipments had headquarters in the Woolworth Building. It had a long list of members, some of whom were known pro-German propagandists, and others benevolent persons. It would be mere scandalizing to read them all into the record.

Senator KING. There is no contention that all of the members of that organization were pro-German?

Mr. BECKER. I am not contending anything. I am not here to make contentions. The executive chairman was Dr. Edmund von Mach, the treasurer was Carl L. Schurz, and there was a sort of secretary, really a stenographer, named Miss Elizabeth M. Rosenberg, who has since changed her name to Ross. The transcript of the bank account of that organization shows there was raised between

November 15, 1915 and March 28, 1916, and deposited in the German-American Bank of New York to the credit of this organization, \$33,763.95. Miss Elizabeth Ross, or Rosenberg, states that only two shipments of milk were made, and her estimate of the total value of these shipments is that it was not over \$500, and she states that the postage cost one-half the sum of \$500. Miss Ross, or Rosenberg, states that von Mach was maintained at the Holland House at the expense of the committee. Von Mach was connected in a way with Otto Merkel and the German University League. I gave to the public some account of this committee, and Prof. von Mach stated that he had been accused of having embezzled the funds of the committee. I do not think so. I presume that whatever he received was given to him by due resolution and according to due form of law. However, the facts speak for themselves. I examined, at his request, Carl L. Schurz, and his statement is that, as he recalls, there were two shipments of milk, but he says that he believes Miss Ross is sadly mistaken as to the amount of it. Carl L. Schurz's statement reads in part as follows:

As a matter of fact, are you in position to state as treasurer just how much money was utilized in the purchase and shipment of milk?

A. I cannot say from memory.

Q. Approximately?

A. I could not even say approximately. Two shipments were made, and how much was used for that purpose I really do not remember.

Q. No more than two shipments were made? You are certain of that.

A. No more than two shipments were made. I am certain of that. That is as I remember it.

Then he testified that the books of the committee which would show were placed in the office of the German University League. The Department of Justice subsequently raided the offices of the German University League, but I am informed by the Department of Justice that the books were not found among the papers there taken possession of. We attempted to examine Carl L. Schurz further in regard to his legal connection with Capt. von Papen and Capt. Boy-Ed, and his statement as to that was as follows:

Do you care to make any statement in connection with her statement—that is, the statement of Miss Rosenberg that she learned you were the attorney for von Papen and Boy-Ed. Is that true?

A. No.

Q. You were, however, the attorney for H. F. Albert in some cases?

A. Why, Mr. Albert—

Q. I do not know how far you care to go into that.

A. I do not care to go into that, Mr. Johnson.

Then his attention was called to a number of payments made to him by the German Embassy through G. Amsinck & Co., and he replied:

I do not remember what those funds were now, but let me assure you that if the \$12,500 was a fee I would remember it, because I never received as a fee half as large an amount as that.

Q. You prefer not to go into those transactions?

A. Yes, I would.

Senator KING. Is that the only light you got from him on the milk matter?

Mr. BECKER. Yes. He referred to the books and we have never been able to get the books.

Senator KING. Did you learn in any way whether a transfer was made of those funds, \$33,000 and odd, to any German account or to any of these accounts that were kept by the German Embassy?

Mr. BECKER. There is no evidence of that. The bank account shows total credits, as I stated, of \$33,763.95, and a balance still remaining on deposit on October 29, 1918, of \$255.87. So \$33,500 was spent in some way.

Senator KING. Does the bank account indicate how it was expended?

Mr. BECKER. No; it was drawn out by checks, and the check vouchers are gone.

Senator KING. In large or small amounts?

Mr. BECKER. The largest withdrawal was on November 27, 1916, \$14,400, and the next largest on January 4, 1917, \$2,500; February 8, 1917, \$1,600.

Senator KING. Did you find on the date or the following date of the withdrawal of the \$14,000, a credit to any of these German accounts? Of course, unless you were looking especially for that you would not.

Mr. BECKER. It never occurred to us, because I do not think there had been any indication in the record that that was what became of the money. It would be an interesting inquiry to look into. Miss Rosenberg's statement I treated rather mildly, because she has been so flatly denied by von Mach in some particulars, but she tells quite a story of expenditures for all sorts of fancy purposes.

Senator NELSON. She claims only \$500 was spent in two milk shipments.

Mr. BECKER. That is what she claims, that the milk that was sent did not cost over \$500.

Senator OVERMAN. And part of that was for postage, she said.

Mr. BECKER. No; the postage was additional. That was her estimate of the value of the milk, or the cost of it. Unless the books can be found, perhaps we will never have positive proof of what happened.

Maj. HUMES. Were there withdrawals of that account during the first five or six days of April, 1917, just prior to the declaration of war? The evidence shows that von Mach was down in Washington to prevent a declaration of war, and there has been some correspondence introduced respecting that.

Mr. BECKER. On February 8, \$1,600 was withdrawn, and that is the only large withdrawal after the break of diplomatic relations with Germany.

Dr. Hugo Schweitzer was at one time connected with the Bayer Co., a large chemical company located at Rensselaer, opposite Albany, N. Y. Toward the end of the stay of Dr. Albert in this country Schweitzer became a sort of depository of German embassy moneys, and we can trace payments from Dr. Schweitzer's account for account of the German embassy. Such records as we have show that he received a total of \$1,478,882.08 from moneys of the German embassy, either temporarily or permanently. Many of these funds, though not all of them, were deposited to the joint credit of himself and wife, Adele Schweitzer, in the German-American Bank of New York. On February 5, 1917, \$150,000 of this money was paid over to Hayes, Kauffman, & Lindheim, who in turn handed it over to Edward A.

Rumely, as part of the money to obtain the Evening Mail. The evidence warrants the conclusion that Dr. Schweitzer was the man who was left in charge of a considerable sum of German money after Bernstorff and Albert left this country, for the purpose of carrying on the good work. He is now dead.

I call attention now to the case of William Wilke, of Buffalo, and the stoneware plot. Between May, 1915, and the middle of 1916, Mr. Wilke received from the German Government in smaller payments the sum of \$65,500. His address is Buffalo, N. Y. It was not until after he entered the transaction, according to his statement, that he became aware that Dr. Albert was interested in it, but then there was a meeting of Dr. Albert, Wolfe von Igel, and Capt. von Papen, which he attended, at which the proposition was discussed. The purpose was to buy a large quantity of stoneware, that being a material essential to the manufacture of munitions, and except for Mr. Wilke's commissions, which were liberal, he did expend the money for that purpose. In making munitions it is necessary to use stoneware for mixing the components. Also stoneware requires the use of picric acid, and so do munitions, so that the effect of buying the stoneware was intended to impair by so much the ability of this country to make munitions. That stoneware was taken to a town in New Jersey and dumped in a vacant lot. I think it has rotted; at least it has become practically worthless. It is still there.

Senator OVERMAN. They got this stoneware not to send abroad, but just to dump it. That was the idea?

Mr. BECKER. That was the idea—to cripple the manufacture of munitions.

Aleister Crowley brings us into touch with an entirely different sort of enterprise. He was a moving spirit in an organization known as the Hermetic Brotherhood of Light, and in Latin, above that name, on one of the circulars are the words "Ordo Templi Orientis." I have examined Mr. Crowley and he produced a circular dated January 22, 1917, from Switzerland, emanating from the secretary of the organization. The president or grand master of the organization is a German. Mr. Crowley has characterized the circular of January 22, 1917, as issued from Switzerland as being German propaganda. It is rather vague and consists in phrases such as this:

The Hermetic Brotherhood of Light, known as the O. T. O., * * * sends the following message to all its members, and to all men and women who have peace and the advancement of humanity at heart.

More powerful than anything that ever has happened within the memory of mankind this war has revealed the underlying deeply rooted antagonisms which divide mankind in its aims and aspirations.

The Hermetic Brotherhood of Light, known as the O. T. O., stands for practical, brotherly cooperation between All, men and women alike, without distinction of creed, race or nation, for the advancement of humanity.

It is in a way a diatribe against war.

Millions of brotherly ties have been rudely and cruelly severed.

This terrible war has destroyed in one year what it had taken centuries to build up.

Mr. Crowley produced, in the high-flown language that seems to be affected by the Ordo Templi Orientis, a reply dated at Johannesburg, the 2d of July, 1917. It begins:

Do what thou wilt shall be the whole of the law.

Mr. Crowley asserts, being a British subject, that this was an answer in veiled language to the insidious German propaganda of the first circular.

In vain have the Prophet and Reformer striven to stem the growing tide of these abuses which have threatened to destroy this Civilization. The Prophet and the Reformer have failed. Shall we say "Nay" to the God who hath opened His Eye?

Modern commercialism and plutocracy have contributed largely to the present state of strife.

It ends with the following:

And now may the Blessing of our Father the Sun be upon you and remain with you for ever. Love is the Law, Love under Will.

This is done in the Valley of Johannesburg, this 2d day of July, 1917.

Senator KING. That sounds like the effusion of some crank.

Mr. BECKER. Maybe; but they have a good many members. Curiously enough, in the Continental Times of October 11, 1915, there is a letter from Aleister Crowley to this notorious German propaganda, "a journal for Americans in Europe," which reads as follows:

BECKER EXHIBIT No. 27.

ALEISTER CROWLEY EXPLAINS.

To the Editor: I notice in your brief introduction to my article "End of England"—(July 26th) a reference to a "ridiculous proposal" of mine to take down Cologne Cathedral and rebuild it at Rhelms. You wrong me!

This was only one of a series of letters which I wrote to the London Press in order to find out if there was anything too idiotic for them to print.

There was not!

I am, your obedient servant.

ALEISTER CROWLEY.

The literary editor appends this note:

I am sorry to have misinterpreted Mr. Crowley's somewhat over-subtle irony. But considering what was written in London at that time, there was really no way of telling the sheep from the goats. Lit. Ed.

Aleister Crowley and his organization may be classified as a dubious proposition.

Senator KING. Is there any evidence to show that they were financed by Germans?

Mr. BECKER. No. I have several articles by Mr. Crowley. In general, it is a pacifist affair.

Senator KING. Do you claim—and I do not use the word "claim" in an improper sense—do you think there is anything to show that it was connected in any way with von Bernstorff or any of the accredited and known German representatives here?

Mr. BECKER. No. It is not an American affair, except as it is an American branch. It is supposed to have its headquarters in England, with branches in Switzerland and in the United States.

Mr. Bielaski has treated of George Sylvester Viereck at considerable length, and very adequately. I wish to call attention, however, to an intercepted letter of Mr. Viereck's to his father, as bearing upon the continuation of the plan of diverting labor by a labor bureau from occupations that would be harmful to the countries of central Europe, to which these individuals might owe allegiance.

I do not bring this out with an idea of criticizing the thing, but because it is interesting, as showing the continuation of that movement. There might be perfectly defensible grounds for undertaking the matter.

In a letter addressed by Viereck to "Dear Papa and Mamma," dated New York, May 2, 1917, after we entered the war, and intercepted by the British Government, addressed to an individual in Stockholm, Sweden, the following passage occurs:

I have established a bureau of legal information for Americans of German descent and for Germans who are uncertain as to their legal status, and wish to know their duties and their rights. A number of eminent lawyers are acting on my advisory board. I have also organized an agricultural employment bureau. This bureau aims to divert the energy of Germans and Austrians who are out of work, into agricultural channels. In this way they are of the greatest aid to the United States, without undertaking any work which, from the point of view of their Fatherland, can be construed as lending aid to the enemy. The Central Powers, if I am not mistaken, are even employing prisoners of war for agricultural work. This bureau has the full endorsement of those in charge of the Department of Agriculture.

Some other points in this letter are rather interesting. [Continuing reading.]

We have changed the name of the magazine to "Viereck's—The American Weekly." We have also established a number of new features. We give a weekly survey of the speeches in Congress. Strange to say, the United States seems to be the only country in the world with a parliamentary government which disregards the often excellent speeches of its representatives.

That is enough of the letter to read, but I think it is of sufficient moment to be put into the record.

Senator OVERMAN. Let it go in.

(The letter above referred to is here printed in full, as follows:)

BECKER EXHIBIT No. 28.

NEW YORK, *May 2, 1917.*

MY DEAR PAPA AND MAMA: In a few days the Austrian staff will leave for their home. I shall give Dr. von Nuber, the Austrian Consul-General in New York, a number of oral messages for you. He is a dear friend of ours and I hope that he will not forget to deliver the messages. I have also spoken to one or two other members of the Austrian party and I hope that you will hear from them.

I have had no news from you since the war began. The only message I received was papa's wireless in which he asked me what he should do in case of war. I also received recently a message of Uncle Edward's death, which touched me deeply. The announcement came by way of Norway. I do not know whether it was accompanied by a letter. I received none.

We are well. Baby weighs almost twenty pounds and can say "Mama" and "Papa." Business has suffered some owing to the war, but our business has suffered no more in proportion than other people's. We have adopted the slogan "America first and America only." This means that we are for America, but not for the Allies.

I have established a Bureau of Legal Information for Americans of German descent and for Germans who are uncertain as to their legal status and wish to know their duties and their rights. A number of eminent lawyers are acting on my advisory board.

I have also organized an Agricultural Employment Bureau. This bureau aims to divert the energy of Germans and Austrians who are out of work into agricultural channels. In this way they are of the greatest aid to the United States without undertaking any work which, from the point of view of their Fatherland, can be construed as lending aid to the enemy. The Central Powers, if I am not mistaken, are even employing prisoners of war for agricultural work. This bureau has the full indorsement of those in charge of the Department of Agriculture.

We have changed the name of the magazine to "Viereck's—The American Weekly." We have also established a number of new features. We give a weekly survey of the speeches in Congress. Strange to say, the United States seems to be the only country in the world with a parliamentary government which disregards the often excellent speeches of its representatives.

In addition to that we have adopted something of the system of the Literary Digest. We print and digest the opinions of many others, emphasizing, however, the point of view of the enlightened minority.

War or peace we stand for fair play and for justice. We hope that the war between the United States and Germany will remain platonic,

I have written you repeatedly that you are to draw against my stocks at the Deutsche Bank for money, since it is impossible to transmit any money to Berlin. I could of course transmit money for you personally to any neutral country. In fact I wonder whether it would not be advisable for you to transfer your residence to a neutral country.

Do not fail to call upon Dr. Albert and Dr. Fuehr if you need advice or aid. Both men have been often in our house and are socially under obligations to me. Discuss all your troubles with them frankly, especially if the official routine should make life uncomfortable for you.

I also hope that you write me regularly, even if these letters do never reach me. I suggest that you keep copies of them as a sort of diary for me to read after the war. No one can tell how long the war may last. I do not know whether we shall see each other again, and I would like to have at least some token as to your thoughts of me in all these troubled days.

I have asked the State Department to make it possible for me to communicate with you through the Spanish Embassy, and I have some hope that they will transmit a message for me. In the same way it should be possible for you to transmit an answer through the Swiss Minister or through the Spanish Embassy in Berlin. Try, at any rate, to send me some kind of message by way of a neutral country. I am sure that either our Austrian friends or Dr. F. or Dr. A. can show you the way. It is intolerable not to know whether you are well and whether you are in need or in any trouble.

Did Mr. Plage ever bring mama the two hundred marks which he owes me and which he promised to take to her? I had made a bet with him that America would not enter the war. I gave him fifty dollars to take along. Our bet, however, was for ten dollars only and he was to bring the difference to mama as a little present.

The British Censor is busy now and we get no inkling of what is really taking place behind the screen of censorship.

With many good wishes from us all, including, especially Gretchen and Peter, I am, as ever,

Lovingly yours,

SYLVESTER.

P. S.—It might be advisable to address any cable message not to me but to my father-in-law.

Mr. BECKER. I have a great number of letters here which have been intercepted which are all interesting, but possibly they are not of sufficient importance to go into the record, unless the committee think so. In these letters there are, however, certain matters that, perhaps, at Maj. Humes' suggestion, I might properly refer to. Perhaps the excerpts that I will now read will be sufficient.

This is a translation of a letter on the letterhead of George Sylvester Viereck, 1123 Broadway, New York, 26th of May, 1916:

BECKER EXHIBIT No. 29.

Dear Papa—

That means Louis Viereck, in Berlin—

Some days ago I received a news item from you in which you write concerning the decision of the High Court, according to which beer is not a luxury but an important food product. A certain restaurant keeper is to be punished because he charged too high a price for beer. Such person had set up as his defense that beer was not a food product but a luxury, and the court made the opposite decision. Would it be possible for you to obtain the text of this opinion of the High Court? I suppose that the brewers would have it or at least be able to obtain it. I will gladly assure you for attending to this a little extra compensation.

That beer article was furnished, and was circulated as beer propaganda all through this country.

Now, this is a similar letter, on Viereck's letterhead, signed by him, and dated June 2, 1916, addressed to "Dear Papa." It contains, among other matter, this paragraph:

The changes in your alcohol article were taken up here by my friends, the brewers, in order to work in this way more to the purpose.

The postscript of that letter I will read also, as follows:

Dr. William Bayard Hale has sailed to-day on the *Friederich VIII* for Germany. He is the representative of Hearst, and is one of our good friends with whom we have many social relations and who also is of great use to us politically. Hearst is perhaps the most prominent American publicist who has ranged himself on the side of Germany. He telephoned me this morning, but could not reach me. I have sent Hale a telegram to look you up, if possible. He understands some German. His wife was born a Muschenheim. He is the same Dr. Hale who once had the famous interview with the Kaiser. He is further the one-time biographer of Wilson, whom he now, on the other hand, attacks sharply, and he is the publisher of many other books.

Senator REED. What is the date of that letter, please?

Mr. BECKER. June 2, 1916.

I wish to refer to the "Two Thousand Questions and Answers" book, published by the Review of Reviews Co. There has been a controversy between the National Security League, which printed a violent attack on that book and the publishers with regard to it. There was an examination of the book made by Prof. Claude Vantine, and he selected a number of objectionable passages.

Senator OVERMAN. Is that the book that has Mr. Creel's indorsement?

Mr. BECKER. Yes. Mr. Creel states, as I understand it, that he saw the proof sheets, and that it appeared to be, as indeed it is, a very carefully prepared and very valuable book, and he felt that it should be indorsed. His introduction concludes with the words "'Two Thousand Questions and Answers,' in my opinion, constitutes a vital part of the national defense."

Now, this book is one of the most subtle pieces of German propaganda, and, at the same time, as far as I can see, the most absolutely ineffectual and useless, that I have ever seen. I want to call attention to the letter from the treasurer of the Review of Reviews Co., Mr. C. D. Lanier, of September 9, 1918, which is the rejoinder of the publisher to the National Security League. In this letter he calls attention to the fact that there was a similar catechism of the war published in Australia by the son of W. T. Stead, and there is this statement:

On investigation of the objectionable passages, of which there were a number, it was found that practically all of them were from the pen of the British journalist who had constructed the Catechism of the War, they having been passed by the censor and published in Australia, and that it was this knowledge of the origin of the paragraphs and the consequent assumption of their propriety that had led to laxity in the subediting of those portions of our volume.

I do not wish to have it thought that I accuse Mr. Lanier of a falsehood; but I had commenced investigation of this book before the National Security League's publication, which I continued afterwards. I took the statements of Henry and Charles T. Lanier, and of Julius Muller. Julius Muller is an American citizen; he has been an associate editor, or, at any rate, in some manner connected with

the staff of the Stars and Stripes, which, as you know, is a magazine for the boys in the trenches. Muller was the subeditor who had charge of the details of preparing the work, and on examination, in going over the paragraphs that appeared to me to be possibly objectionable or on the shady side of pro-Germanism, and the paragraphs that had been objected to by Prof. Vantine, with a single exception, and a very doubtful one, they were all the work of Julius Muller, and could not be found in Stead's book, and had not been passed by any British censor or published in any British colony.

Senator REED. Is Muller still the editor of the Stars and Stripes?

Mr. BECKER. I do not know.

Senator REED. How long since was he, to your knowledge?

Mr. BECKER. He was up to the time of that statement, which was about three months ago.

Senator REED. Who are the publishers of the Stars and Stripes?

Mr. BECKER. I do not know.

Senator REED. You said that it was an official paper for the boys in the trenches. I thought you would know.

Mr. BECKER. I have seen a copy now and then. It is a patriotic affair that was distributed over in France, as a sort of paper for the soldiers. I think it was a daily, was it not?

Senator REED. Do you know by whom it was financed? Was it by the Government?

Capt. LESTER. I do not know.

Senator REED. Do you know whether Muller is still connected with it?

Capt. LESTER. I do not know.

Senator REED. But you never heard of his being removed?

Capt. LESTER. No, sir.

Mr. BECKER. I have here a schedule of objections to the book. Rather than to take the time to go all through it, inasmuch as it seems to have been conceded by the Review of Reviews Co. that there were objectionable paragraphs, I will just call attention to one set, and tell you what happened when I examined Muller with reference to them.

Senator KING. Is Muller an American citizen, do you know?

Mr. BECKER. Yes.

Senator KING. Born in this country?

Mr. BECKER. I think so. At pages 157 and 158 of the book there are a number of paragraphs, under the heading "Ravaged Belgium." This book is an arrangement of questions and answers. The first question is: "Did Gladstone ever uphold disregard of treaties?"

Mr. Muller said that was to be found in Stead's work. I have not been able to find it there; maybe I have not been careful enough.

"Did Gladstone ever uphold disregard of treaties?"

Then there is a quotation from a speech by Mr. Gladstone in parliament in 1870. Then the next question is:

"What are the Hague Conventions?" and those are very accurately described. The next question is:

"Is the Hague Tribunal elected annually?" And the answer is that it is a permanent tribunal. The next question is:

"What is meant by a 'scrap of paper'?" Then the story of the interview between Sir Edwin Goschen and von Bethman Hollweg is given. The next question is:

“Was the ‘scrap of paper’ story ever denied?” and it shows that it was. The next question is:

“Did Great Britain destroy the Danish Navy in time of peace?” Then the answer is that it was partially destroyed by the British fleet under Nelson at some ancient time.

Now, that seemed to be a very strange juxtaposition of paragraphs under “Ravaged Belgium.” It seemed to me that the intent was to convey the impression that the English had done equally ill in the past, and that the offense of Germany was condoned. I asked Julius Muller about that, and he threw up his hands, literally. He said, “I throw up my hands.” He said, “I admit that seems very peculiar, but it was a pure accident in editing.” He said those paragraphs had been prepared, and that one day they ran short of material in making up some pages of the book, and it was done hastily; that they happened by a pure chance to get into that order, and into that arrangement. Here is the exact answer:

I had probably three thousand questions and answers scattered around me in different piles, and one day when there was an urgent need for some proof to go to the printer, this particular bundle was gathered up hastily, and this was most all from Stead; I think it was all from Stead.

It afterwards turned out that it was all from Muller; it could not be found in the Stead book. The book distinctly characterizes the French desire to regain Alsace-Lorraine as a piece of French Chauvinism. There is a reference to the terrible immorality to which American soldiers would be subjected if allowed to go to Paris, and the point is made that they should not be allowed to go to Paris, for that reason.

“Where do the American boys spend their days off? In Paris?” The headings sometimes indicate the trend of the book, in places:

Q. Where do the American boys spend their days off? In Paris?—A. No. Paris has been found to be demoralizing to the men and a dangerous focus of infection and contagion through the loathsome disease which menaces every Army when its men mingle with the women of big cities. Therefore, the American Government has arranged with the French Government to get a very large control of certain places behind the American lines, and these have been turned into recreation cities for our men. They are in the beautiful Department of Savoy, which abuts on the Swiss border, and is wedged in between Switzerland and Italy. It adjoins the most magnificent mountain scenery in the world, Mont Blanc being on its eastern border. The healthful and noted resort of Aix-les-Bains is one of the recreation cities in this region. The big casino there has been turned over to the American Y. M. C. A., and playhouses and other amusements have been established. Another town is Chambery, where three casinos and a theater have been leased for the use of the Americans. Still another place is Challes-les-Eaux. Professional performers and volunteer workers arrange for every possible sort of amusement. In addition, there are mountain-climbing, boating, automobiling, and so forth.

Do you think that looks as though it were written to alarm the parents of American boys?

Mr. BECKER. No; that was not the purpose. It, however, greatly incensed the French High Commission. I know they were very angry about it, because I talked with them. They regarded it as a gratuitous insult with respect to the conditions in Paris.

Senator REED. A moment ago you said you offered it for the purpose of showing that it was intended to discourage American soldiers, by showing that they were subjected to great dangers of immorality; whereas the article seems to conclusively show that it was

intended to demonstrate that the morals of our soldiers were guarded with the greatest care; that they had the influence of the Y. M. C. A.; and that they had been shut off from evil resorts and were kept in a pure and decent atmosphere.

Mr. BECKER. I will ask the stenographer to turn back and see what I did say, because if I made that statement it was a slip of the tongue. I remember I used the expression "terrible immorality." Perhaps that will enable the stenographer to identify the passage easily.

(The following was thereupon read aloud by the reporter from the record:)

There is a reference to the terrible immorality to which American soldiers would be subjected if allowed to go to Paris, and the point is made that they should not be allowed to go to Paris, for that reason.

Mr. BECKER. I do not desire to change that. I think that is a reasonably accurate comment.

Senator WOLCOTT. I gathered the impression, Mr. Becker, from the way you read it, that the question was worded this way: "Where do our boys spend their recreation?" or whatever the wording was, and that the answer was: "In Paris." I supposed that was all the answer.

Mr. BECKER. No; that is a part of the question. The question whether there were objectionable paragraphs in the book is not debatable, because that has been admitted by the publisher, and he has prepared a new edition, of which I have here the proof sheets. I understand it is approved by the War Department this time and is certainly entirely unobjectionable.

Senator REED. Do not misunderstand me. I am not defending that book nor Mr. Creel.

Senator KING. Did Mr. Muller state who employed him, Mr. Becker?

Mr. BECKER. The Review of Reviews Co.

I have here a memorandum on the subject of the means of communication used by the Germans, which is largely the result of a study of the Hugo Schmidt papers which I have made. It discloses how keenly the Germans were beginning to feel the strong hand of the British censor. I think Hugo Schmidt was probably the most resourceful of any of the Germans of this country at working that out. The papers show that clerks of the Deutsche Bank were sent from Germany to correspondents of the Deutsche Bank located in Denmark, Sweden, Norway, Switzerland, Holland, and Spain, for the sole purpose apparently of having mail intended for the Deutsche Bank of Berlin and its subsidiaries addressed to them in these neutral countries, from whence it could be reforwarded to Berlin.

At the same time merchants in neutral countries who were under obligations for their financial arrangements to the Deutsche Bank of Berlin and the Deutsche Ueberseeische Bank were utilized and all means of communication for mail and telegraphic address. These same means of communication were occasionally used by the German Embassy. Hugo Schmidt quite often sent deposits, using his code as means of communication for the ambassador.

Senator KING. Direct to the bank?

Mr. BECKER. To the intermediary, and thence to the German Government. In this the German banks were assisted sometimes by

prominent Scandinavians, Dutch and Swiss banks. Once these communications had been established, a list was compiled and transmitted to New York by confidential messenger, and furnished to the several correspondents of the Deutsche Bank, and thereafter letters to the Deutsche Bank were addressed in the names of these several lummies that were created throughout neutral countries, at the same time maintaining correspondence in matters that were not of any import, so far as secrecy was concerned, by direct mail to the Deutsche Bank, so as to make it appear that all the ordinary commercial transactions were being carried on through the usual channels, and divert suspicion from the others.

I have a list here, which if the committee desires can be put into the record—it is too long to read—of nearly 100 persons in neutral countries who acted as intermediaries for this mail.

(The list referred to is here printed in the record in full as follows:)

BECKER EXHIBIT No. 30.

AT COPENHAGEN.

John Birchenough.	Edgar Chantrey.
Danskellandsmansbank.	R. J. Henriques.
Carl Hessenberg.	Paul Ilmer.
M. J. Mogensen.	Vekselbank.
Alexander Witherspoon.	D. B. Adler.
Erils Anderson.	Sophus Anderson.
Peter Hansen.	Phillip Rolff.
Vernadus Snoew.	Charles Stiggins.
Jens Svendsen.	Alphonse Lockavanne.

IN FRANCE.

Adolph La Croix & Cie, Havre.

IN HOLLAND.

James Bishop, Amsterdam.	Edwin Booth, Asterdam.
Lippmann, Rosenthal & Co., Amsterdam.	Rotterdamschebank, Amsterdam.
Paul Sauvage, Rotterdam.	Roel Vermerr, Amsterdam.
Wiegsmansbank, Amsterdam.	Teixteria De Mattos, Amsterdam.
Amsterdamschebank, Rotterdam.	Disconto Maatschaapj, Amsterdam.
Thomas Nevins, Rotterdam.	Lober Gerard, Amsterdam.
Felix Aschert, Rotterdam.	

IN ITALY.

Liugi Fungi, Rome.	Maison Debosis, Rome.
Monaca Gregoriana, Rome.	Rudolfo Rossi, Rome.
Filippo Carmagnani, Venice.	Maison Damiani, Venice.
Giovanni Carmagnani, Milan.	

IN LIMA, PERU.

Ledgard La Funte.	Pastor Matienzo.
Manuel Monclava.	Julio Romero.

IN NORWAY.

McMogensen, Christiana.

IN RIO DE JANEIRO.

Joao Siomoesfriere.	Paulo Da Roche.
Jose Jaquin Lopez.	Louis Mercier.
Georgiana Waghorne.	

IN SANTIAGO, CHILE.

Arturo Gallo, y Garcia.	Claro Lesteria.
Ricardo Puvonka.	

IN SWITZERLAND.

Banque Martin, Geneva.
 Arthur Melvin, Zurich.
 Merkel & Co., Basle.
 Cartier Bank, Geneva.
 Bernier Handelsbank, Geneva.

John Lachat, Geneva.
 Credit Suisse, Zurich.
 Schweiz Credit Anstalt, Zurich.
 Lachat Banque, Geneva.
 Willy Gassman, Geneva.

IN SPAIN.

Garcia Calamarte y Hio, Madrid.
 Francisco Frada, Madrid.
 Albert Galapin, Madrid.
 Francisco Motto, Madrid.
 Gabiello Romano, Madrid.
 Ricardo Welsch, Barcelona.
 Baldwin Effington & Co., Madrid.

William Coleman, Madrid.
 Albert Gaillard, Madrid.
 Albert Hedegaard, Barcelona.
 Antonio F. Nonidez, Madrid.
 Helen Sprigg, Madrid.
 Albert Effington, Madrid.
 Roveira Rambla, Barcelona.

IN SWEDEN.

Burman & Company, Lulea.
 H. Schultz, Stockholm.
 Goteburg Handelsbank, Guttenburg.
 Sydenbanken, Malmoe.

Skandinaxiska Credit Aktiebolaget.
 Stockholm.
 Lindelof & Co., Sweden.

IN VALPARAISO, CHILE.

Angelo Calvo, Valparaiso.
 Carlos Plaza.
 Albert Acuna.

Eulogia Gallardo.
 Savadra Bernard & Cia.
 Claro Lastaria.

Mr. BECKER. The rigor of the British censor made it impossible for Hugo Schmidt to receive mail addressed in his name. After a while the German's mail was confiscated by the British or at the very least they used to take long enough to take a photostat copy, and then it would be sent out. He had mail addressed in New York intended for him to various persons, George A. Brewster, 165 Broadway; John H. McClement, 165 Broadway, an American, who was a representative for many years of the Deutsche Bank; and a German with a French name, A. de Chapeaurouge, room 601, 31 Nassau Street; a clerk named Roy Woollen, 176 Congress Street, Brooklyn; the Kerbaugh Empire Co., 6 Church Street, which was a concern that was largely financed by capital brought into America by the German bank. Later he organized the Standard Mercantile Agency, for the purpose of foreign exchange, and also as an occasional address for mail. Schmidt himself assumed a fictitious name for correspondence with the Latin countries, the name of Valerien Jourdain, giving the address as 165 Congress Street. In his wireless messages he signed various other names, and used the name of Sidney Pickford among them. Thus little by little the names of the Deutsche Bank and Hugo Schmidt and the Deutsche Ueberseeische Bank began to disappear from the mail sacks, and the censors were confronted with these neutral sounding names, which so far as a superficial investigation showed, were receiving ordinary commercial letters relating to persons of such names as Charles Wendall, William Foxley, and John Franklin, there being nothing to indicate that Charles Wendall was Bernstorff, that Franklin was the German Foreign Minister, or Foxley the German Foreign Office.

That concludes the statement of what I have brought here for the attention of the committee.

Senator OVERMAN. Major Humes, do you have any questions that you desire to ask?

Maj. HUMES. Mr. Becker, I would like to have you please put in, if you can, a statement of the activity of the German-American Alliance of New York State—the New York State branch.

Mr. BECKER. I know very little about it. There was an act passed by the Legislature of New York State, with whose execution I had to do, which dissolved it, at the last session, and the act provided for the appointment of a receiver. When we called in the office there was not enough in sight to be worth receiving. I should think the net assets were about \$45.

Maj. HUMES. Have you any knowledge as to the number of organizations that were affiliated with the German-American Alliance?

Mr. BECKER. No; that has been a Department of Justice and Military Intelligence matter, and I have paid very little attention to it.

Maj. HUMES. Mr. Chairman, I gave Mr. Becker Mr. Bielaski's testimony, and asked him to supplement that in any of the details in which Mr. Bielaski had not completely covered the subject, so far as he could. If he has covered that ground as thoroughly as he feels that he can, I have nothing further to ask him.

Senator OVERMAN. You are through, you say?

Mr. BECKER. Yes.

Senator OVERMAN. Any one else?

Senator REED. I would like to ask a few questions if the committee is through.

You are, Mr. Becker, the deputy attorney general of New York?

Mr. BECKER. A deputy attorney general.

Senator REED. Who is the present attorney general?

Mr. BECKER. Merton Lewis.

Senator REED. How long has Mr. Lewis occupied that position?

Mr. BECKER. I can not give you the exact time. He was elected by the legislature to succeed his predecessor, who resigned early in 1917, and in the fall of 1917 he was elected for the one year of the unexpired term of his predecessor by the people, and his term will expire the 31st of December next.

Senator REED. You were appointed by Mr. Lewis at what time as his deputy?

Mr. BECKER. I was appointed by his predecessor on the 1st of January, 1915.

Senator REED. And when Mr. Lewis was elected or appointed, you remained with him?

Mr. BECKER. Yes.

Senator REED. And you have been with him ever since?

Mr. BECKER. Yes.

Senator REED. In the fall of 1917 did you have an election in the State of New York for State officers?

Mr. BECKER. Well, for members of the assembly, and owing to the vacancy, for attorney general.

Senator REED. Was there also in the fall of 1917 an election for mayor of New York?

Mr. BECKER. Yes.

Senator REED. Were these two elections held at the same time?

Mr. BECKER. The same date.

Senator REED. Were there primary elections held under the law of the State of New York for the purpose of nominating candidates that were to run at these elections that were to be held in the fall of 1917?

Mr. BECKER. It may seem strange, but I can not get it straight in my mind whether Mr. Lewis was nominated by petition or by a primary. It was unimportant, because there was no opposition at all. As for the rest of the ticket, there were primaries, certainly, and I think very likely for Mr. Lewis.

Senator REED. Were you a candidate at that primary in 1917?

Mr. BECKER. No.

Senator REED. Were you ever a candidate at any primary election for any nomination in the State of New York?

Mr. BECKER. Yes, I was a candidate at the primary held on the 3d day of September, 1918, for the nomination for attorney general.

Senator REED. On the Republican ticket?

Mr. BECKER. Yes.

Senator REED. Was Mr. Lewis a candidate at the same time of your nomination for governor? Who were the leading candidates for the nomination for governor at this time?

Mr. BECKER. Mr. Lewis and Governor Whitman.

Senator REED. Governor Whitman was Mr. Lewis's opponent?

Mr. BECKER. Yes.

Senator REED. Who was your opponent?

Mr. BECKER. Charles D. Newton.

Senator REED. In this primary election were slates or groups of candidates gotten together and run on tickets?

Mr. BECKER. No, sir.

Senator REED. So that we will not misunderstand each other, was there any group of candidates so that you and Mr. Lewis were upon one slate, speaking generally, and Gov. Whitman and Mr. Newton upon another slate?

Mr. BECKER. Well, to be frank——

Senator REED. That is what I want you to be.

Mr. BECKER (continuing). I do not know, this is a little delicate, but I will say that in the campaign committee it was composed of about half of men who were supporting Mr. Whitman and about half supporting Mr. Lewis. Of course I was very loyal and friendly with my chief, Senator Lewis, and I do not think there has been any ill-feeling on his part, as you know some of his supporters were somewhat incensed because I tried to have a mixed committee, a committee of mixed men, of Whitman men and Lewis men.

Senator REED. I was not speaking about the committee. I am not intimating that you were not absolutely loyal to your chief.

Mr. BECKER. I was not on the ticket with Mr. Lewis, that is the answer.

Senator REED. But as a matter of fact, was there or was there not a friendly concert of action between yourself and Mr. Lewis?

Mr. BECKER. Oh, yes; absolutely.

Senator REED. And in that sense we might say there was a slate, and when I use the term slate I do not use it in any offensive sense at all, and I recognize—I am making this long explanation in order that you may understand—I recognize that in primary committees there

is likely to be a grouping of candidates against each other, and I assume that you and Mr. Lewis, you having been in his office, had been in one group, whereas Gov. Whitman and his supporters were in another group.

Mr. BECKER. Mr. Newton certainly was on the Whitman ticket.

Senator REED. Yes.

Mr. BECKER. No doubt about that. Therefore, I suppose to that extent by opposing him I was on an anti-Whitman ticket, roughly speaking, but we have no such thing in New York State as a ticket.

Senator REED. Yes, I understand you do not absolutely print the ticket?

Mr. BECKER. And there was no slate.

Senator REED. In a broad way you and Mr. Lewis were both opposing Whitman.

Mr. BECKER. I was not.

Senator REED. And in a broad way each of you was supporting the other? Is that true?

Mr. BECKER. Oh yes; that is certainly true.

Senator REED. And if each of you was supporting the other as you were supporting Lewis, and as he was not supporting Whitman, you were against Whitman?

Mr. BECKER. Yes.

Senator REED. I thought we would get there after a while if we talked long enough. Now, when was it—you have stated in your testimony that there was a statute of New York which became a law on the 21st day of May, 1917. You have produced here, or referred to certain affidavits which you have taken of numerous people, bellboys, and elevator men, and hack drivers and chauffeurs—did you take those affidavits under and by virtue of the authority of that statute of New York?

Mr. BECKER. Yes.

Senator REED. Did you take them for the purposes named in that statute?

Mr. BECKER. Yes.

Senator REED. The purposes of the statute were:

Whenever in his judgment the public interest requires it, the attorney general may, with the approval of the governor, and when directed by the governor, shall inquire into matters concerning the public peace, public safety, and public justice.

Did you understand that to mean the public peace of the State of New York where the statute was passed?

Mr. BECKER. Yes; that is, the public peace—well, yes, that is accurate enough. However, I am not the judge, you know, of what matters shall be gone into.

Senator REED. Oh, yes.

Mr. BECKER. That is determined by the governor.

Senator REED. Did the governor in this instance determine what should be gone into?

Mr. BECKER. Yes.

Senator REED. Well, that is interesting. I understand then that Gov. Whitman is the man who directed the investigation to be made which you conducted and directed you what matters and things to examine into? Is that your statement?

Mr. BECKER. I will put it accurately so that it will be understood. We were directed by Gov. Whitman to execute the commission on the letters rogatory received from the French Government in the Humbert case, which in substance required us to investigate all matters relating to the Paris Journal.

Senator REED. Will you kindly produce the letters rogatory?

Mr. BECKER. I have not them here.

Senator REED. Have you a translation of them?

Mr. BECKER. No; I did not bring them, but I can give you the exact substance, because it is on the cover of these cases. This is another one that was taken in the same matter. It is a deposition relating to Mr. Hearst. I had not referred to it before.

Senator REED. I simply want the date of the letters rogatory.

Mr. BECKER. They are dated February 26, 1918. In reply to your question as to what they contain, they request an examination into the charges against Pierre Lenoir, Guillaume Desouches, and Charles Humbert, which shows intelligence and commerce with the enemy, and against Charles Humbert of complicity in commerce with the enemy of the Republic of France. The rogatory commission was issued by Capt. Bouchardon in charge of reports to the third permanent Council of War in the military government of Paris. I want to be perfectly clear about it. At the time that certain affidavits were given out to the press, being Mr. Lewis's rejoinder to a challenge that emanated from Mr. Hearst, to which I made reference on my direct testimony, these same men were examined and their affidavits were taken in straight affidavit form, not entitled in the Humbert case. The substance was identical. Those were taken and were presented to the public through the medium of the press.

Senator REED. They were taken under and by virtue of the authority of this law, were they not?

Mr. BECKER. No, not at all.

Senator REED. I want to ask you if these witnesses were not summoned before you, and if their statements were not taken in writing, and if they were not sworn?

Mr. BECKER. Here was the way that was done, under and by virtue of the law I summoned the witnesses.

Senator REED. What law?

Mr. BECKER. Chapter 595 of the laws of 1917. Let me tell you the whole story. Are you willing?

Senator REED. No, I want to ask a few questions.

Mr. BECKER. I will just answer the questions that you ask. Early in the spring of 1918, practically all these witnesses were——

Senator REED. I do not want to be short with you. I did not ask you that. I asked you whether it is not a fact that these affidavits which you took were taken from witnesses that you caused to be summoned before you?

Mr. BECKER. They were taken as follows——

Senator REED. Just answer, can you, whether you summoned these witnesses to come before you?

Mr. BECKER. I am going to answer in my own way unless the committee prevents. The witnesses were summoned by virtue of chapter 595 of the laws of 1917. They were examined and a regular deposition taken for use by the French Government bearing upon the

issue that has been discussed. At the same time I prepared an affidavit for them to sign that contained the substance of the depositions. They went before a notary public, and without any use of the powers of the act, they swore to that affidavit, and those affidavits, sworn to before a notary public, were the ones that were used for what I will frankly say was a political purpose.

Senator REED. Exactly. Now let us see. This law provided that you could appoint, or the attorney general could "appoint and employ and at pleasure remove such deputies, officers, and other persons as he deems necessary, determine their duties, and, with the approval of the governor, fix their compensation." Were there such appointments made?

Mr. BECKER. No. One has been made lately.

Senator REED. I do not speak about lately. Were they made at any time under and by virtue of this act?

Mr. BECKER. My recollection is that at the time these affidavits were taken no such appointment had ever been made, but I may be wrong about that.

Senator REED. None had been made before that?

Mr. BECKER. No.

Senator REED. All right. How did you get these witnesses in before your office? How did you get them in there?

Mr. BECKER. I think one of the clerks in the New York bureau of the attorney general went and summoned them, but I am not sure. I know two of them came in without a summons.

Senator REED. You summoned them by virtue of this act?

Mr. BECKER. Yes.

Senator REED. When they were present you swore them?

Mr. BECKER. I personally swore them and took their deposition.

Senator REED. And took their depositions, and while they were there in the room you wrote out the affidavit?

Mr. BECKER. Yes.

Senator REED. Same date, same room?

Mr. BECKER. Yes.

Senator REED. And then you swore them yourself to the affidavit?

Mr. BECKER. No.

Senator REED. You had sworn them to the deposition yourself personally?

Mr. BECKER. Yes, I have that power.

Senator REED. Now why did you not swear them to the affidavit?

Mr. BECKER. Because it was not going to be for an official purpose. Consequently they went over to the Belmont Hotel and swore to them before a notary.

Senator REED. At the very moment when you took that deposition and that you swore these affidavits, and at the time you wrote out the affidavits, on the same date, same hour, at the same room, you had in mind that you were going to use the affidavits for a political purpose?

Mr. BECKER. Unquestionably.

Senator REED. And therefore because you were going to use them for a political purpose in your own campaign, and in the campaign of your superior, you had them make affidavit before some other notary public than yourself?

Mr. BECKER. Well, I have not followed that. It is rather long. Will the stenographer read it.

Senator REED. It is not half as long as some of your statements.

Mr. BECKER. I was delivering a lecture.

Senator REED. I was delivering a question.

(The question was read by the stenographer as follows:)

Senator REED. And therefore because you were going to use them for a political purpose in your own campaign, and in the campaign of your superior, you had them make affidavit before some other notary public than yourself?

Mr. BECKER. No, sir.

Senator REED. Why did you not take the affidavits yourself? You just a moment ago said you were going to use them for political purposes, and so you had the affidavits made before somebody else. Did you not just say that?

Mr. BECKER. I thought to use the powers of the act for a political purpose would have been grossly improper.

Senator REED. Did you not use the powers of the act to get these witnesses in and get this statement?

Mr. BECKER. Yes, sir.

Senator REED. And did you not take advantage of that to get the affidavit which you now say it would have been highly improper to use for a political purpose?

Mr. BECKER. I did not say that.

Senator REED. You said that it was improper to use the powers of the act for a political purpose?

Mr. BECKER. No, I did not.

Senator REED. Well, we will leave it to inference whether you did or not. Now let me ask you whether the last thing you did with these witnesses when you left the room was to serve them with a written notice that they must absolutely keep secret everything that had transpired?

Mr. BECKER. No, sir.

Senator REED. What kind of a notice did you give them. You have a printed notice. Will you please produce one of them?

Mr. BECKER. I never saw any such notice?

Senator REED. You never saw any such notice?

Mr. BECKER. Did you ever see any such notice? I have always told witnesses to keep quiet. I think in this case I did not.

Senator REED. Did you not give them a typewritten or printed notice or warning that they must keep it secret?

Mr. BECKER. I have not the slightest recollection of any such thing. and I am pretty sure I did not.

Senator REED. You are not positive?

Mr. BECKER. My memory at three months, even, is very often at fault. Can you produce a notice—one of those copies?

Senator REED. That is a question that will be answered later on.

Mr. BECKER. That might refresh my recollection. I have no recollection. I am not positive. I know positively that there never had been any printed notices prepared for any such purpose.

Senator REED. Do you understand that this statute was intended to be secret—for the purpose of keeping the facts that the witnesses gave secret? Was that the object of it—a secrecy statute?

Mr. BECKER. The secrecy is designed to prevent circumventing the success of investigations by improper and premature publicity.

Senator REED. Yes. You took this testimony for the French Government in the form of these depositions. You notified the wit-

nesses that they must keep it secret, and you also at the same time took affidavits. You notified the witnesses that they must keep still, and then, while it is true that this secrecy was for the purpose of preventing premature publication, you and your superior, Mr. Lewis, gave all of these affidavits to the press, did you not?

Mr. BECKER. That is partly true.

Senator REED. Now just what part of it is not true?

Mr. BECKER. Well, to be strictly accurate, that I gave them to the press.

Senator REED. That you gave them? You gave them yourself?

Mr. BECKER. No, I say that part would be inaccurate.

Senator REED. Did you give some of them to the press?

Mr. BECKER. I did not give any of them.

Senator REED. Did you give some interviews to the press? Who did give them to the press?

Mr. BECKER. Why, it was done by Mr. Lewis in some form or other, whether individually or through somebody else, I do not know.

Senator REED. It was done through his political headquarters, was it not?

Mr. BECKER. I was not there, and I could not really tell you. At least, I do not think I was.

Senator REED. As a matter of fact, you gave out some of these interviews, did you not?

Mr. BECKER. I do not recall any now. It is possible. I would not hesitate to say.

Senator REED. No, I do not think you would. Have you depositions of these witnesses as well as affidavits?

Mr. BECKER. I have produced here only the depositions.

Senator REED. You have not produced the affidavits?

Mr. BECKER. No, sir. By "affidavits" I mean it in the literal sense, those that were taken before a notary public. All that I brought here, as I recollect, are the depositions taken in question and answer form, which are much more extensive than the affidavits.

Senator REED. You have not produced the affidavits. Did you not make reference to the affidavits here and read from them?

Mr. BECKER. No, I produced depositions in the Humbert case.

Senator REED. Are the affidavits in some form literal copies of the depositions? I have followed your testimony from these affidavits and I am surprised at your statement.

Mr. BECKER. I will see if I can find it. Things have gotten so mixed up now that it is a slow process to find things. I think the stenographer must have those. No, here they are. I think those are the ones that I used. Sometimes I took these depositions in narrative form, and sometimes in question and answer form. These are in question and answer form. I think the second set was taken in narrative form.

Senator REED. What do you mean by the narrative set?

Mr. BECKER. The ones that were taken and were never made public until I brought them here.

Senator STERLING. Just let me ask a question there. You do not mean by that the affidavit. You referred to depositions taken in two different forms.

Mr. BECKER. Let us be clear about that. There are four different sorts of things—well, I guess there are only three. In the first place

there is a set of depositions taken for the French Government. Then we took in affidavit form before a notary public a set embodying the same matter

Senator WOLCOTT. But not in question and answer form.

Senator REED. Narrative form of the same matter?

Mr. BECKER. Very short.

Senator STERLING. Those are the affidavits you gave, or a part of which you gave, to the public.

Mr. BECKER. Yes; and subsequently, long after that publication, we took some more testimony in the Humbert case, and my recollection is that was taken in narrative form.

Senator WOLCOTT. They were depositions, nevertheless.

Mr. BECKER. Depositions taken before me. I have power to swear witnesses, but not for any purpose except under the act.

Senator REED. I want to get the chronology of this thing. You say you took some depositions and then you took affidavits which embodied the substance, almost identical with the depositions except they were not in question and answer form, and then subsequent to that you took some more testimony in the Humbert case. When was it you took this last deposition in the Humbert case?

Mr. BECKER. Let me see if I can not find it. It was at least, I should say, a couple of months after that previous affair, but I may be entirely wrong about that. It was afterward, anyway.

Senator REED. I was asking a question when I was interrupted. and I just want to close that incident. I asked you if it was not a fact that you yourself had given out statements containing the substance of a part of the matter contained in these affidavits?

Mr. BECKER. I do not remember that I did. I think it was Mr. Lewis that did that, but it is entirely immaterial. I would have done it.

Senator REED. You gave them out and made charges, did you not, against Mr. Hearst, and you did that in the month of July, 1918. Do you remember that?

Mr. BECKER. If you will refresh my recollection perhaps, but I do not think so.

Senator REED. I will ask you if you did not stand for an interview in the New York Tribune, printed on the 31st day of July, 1918?

Mr. BECKER. What is the subject of it?

Senator REED. The headlines are "Bolo's letter named Hearst as 'my friend.' Becker Gives Out Note Written by Traitor Who Was Shot in France."

Mr. BECKER. Yes, I made that. I remember that now.

Senator REED. "Missive Sent to Madame Barrientos. Assistant Attorney General Tells How Trail of 'Pacha' Was Traced."

Mr. BECKER. I remember that.

Senator REED. I have read you the headlines. So that you remember that on July 31, 1918, you did give out this statement and did make this attack on Hearst?

Mr. BECKER. No. I gave out the Barrientos story at that time. That was part of it.

Senator REED. You gave it out. That was part of it. Did you make any attack on Hearst at that time?

Mr. BECKER. You can construe that as you like. That is a matter of inference.

Senator REED. Is it a matter of inference or is it a matter of plain fact?

Mr. BECKER. I gave out the Barrientos story and all there was to it, and the odds and ends. It is written up pretty hot by the Tribune, I remember.

Senator REED. You never repudiated it in any way, did you?

Mr. BECKER. Oh, if I went around repudiating interviews I would be pretty busy.

Senator REED. You took advantage of it, and you were active in it. You and your chief followed it up, and afterwards you took the affidavits and renewed the attack. Is not that the truth?

Mr. BECKER. These affidavits were taken on the 9th of August.

Senator REED. And this interview was July 31. Now I will read it to you to see whether it needs much deduction [reading]:

BECKER EXHIBIT No. 31.

Alfred L. Becker, assistant to Attorney General Merton E. Lewis, who investigated Bolo Pasha's activities in this country for the French Government, and while so doing ran across the trail of William Randolph Hearst, yesterday made public the following statement:

"A side light on the activities of Bolo Pasha in America is revealed in his social attentions to Mme. Maria Barrientos, the famous Spanish soprano of the Metropolitan Opera.

"When Attorney General Lewis undertook the investigation of Bolo Pasha, at the request of the French Government, he sought to retrace every step taken by the French adventurer while in this country. It was soon discovered that Bolo met Mme. Barrientos in New York and had shown her various attentions.

"Accordingly, when Mme. Barrientos arrived on the steamship *Antonio Lopez*, on her return from Spain, January 18, last, she was greeted at quarantine by representatives of Attorney General Lewis. They requested the privilege of examining her private papers for the purpose of obtaining evidence of Bolo's activities. She cheerfully granted the permission sought and appeared later for examination before Deputy Attorney General Alfred L. Becker.

ATTENTIVE TO DIVA.

"When Bolo came to America, in February, 1916, he brought with him a letter of introduction to Mme. Barrientos from a mutual friend in Barcelona. On the day of his arrival, February 22, he at once forwarded the letter of introduction, accompanied by a magnificent bouquet of flowers, to the Metropolitan Opera House. In response Mme. Barrientos invited him to tea, where he met the wife of an American diplomat. One or two other meetings followed.

"Bolo's purpose in seeking the acquaintance of Mme. Barrientos appears to have been purely social. His attentions to her, consisting of flowers, professions of 'homage to the illustrious artist,' and invitations to dine, were not very well received. According to her testimony, her woman's intuition soon began to tell her he was not quite what he pretended to be. She says she found no reason to suspect he was guilty of any disloyalty to France. Knowing her to be warm-heartedly proally, he always professed like sentiments. She disliked him, however, and after the first few meetings she refused to see him.

HIS FRIEND HEARST.

"Bolo wrote Mme. Barrientos on the stationery of the Plaza Hotel an interesting letter, which, translated, reads as follows:

"THE PLAZA, NEW YORK,
"Thursday morning.

"DEAR MADAME: The address of the wife of my friend is Mrs. Millicent Hearst, 137 Riverside Drive. Do not fail to look me up after your voyage to Paris.

"I shall arrange for you the appearance of certain articles for your behalf, which will precede your arrival at Buenos Aires. While you would have no need of them, your immense talents placing you above all other voices heard to-day, still, being unable to do anything else that would be agreeable to you, I can only offer what is in my power, and I do so with all my heart.

"Permit me to place at your feet the homage of a great admiration.

BOLO PASHA.

"The irony of Bolo's offer to procure publicity for Mme. Barrientos in Buenos Aires lies in the fact that it was proved at the trial of Bolo that he married there a French singer named Mme. Soumaillies, and after a few weeks or months deserted her.

"At Bolo's trial she appeared to confront him and proved him a bigamist. Bolo's only answer was 'Ah, but it was such a small matter—and it was so long ago.'"

Mr. BECKER. May I interrupt there?

Senator REED. Yes.

Mr. BECKER. Down to that point it is word for word as I dictated it to my own stenographer, except the headlines and except the sub-heads. From that point it is the work of the Tribune.

Senator REED. From that point on it is the work of the newspaper man?

Mr. BECKER. Yes.

Senator REED. You seem to be pretty familiar with it, and yet you could not remember it.

Mr. BECKER. Well, it has brought it back to my recollection. Besides, I thought you were asking me a little while ago about these chauffeur affidavits. It seems that you refer to this Barrientos story. I would remember that at any time, and I may say that I think that is really a very accurate statement of the evidence in regard to the Hearst-Bolo-Barrientos incident.

Senator REED. What was your purpose in giving this out at this time? Was it to reflect on Madam Barrientos?

Mr. BECKER. It does not reflect on her in the least.

Senator REED. That was not your purpose, was it?

Mr. BECKER. I was giving it out because I thought it was an interesting item of news that the public would be glad to read.

Senator REED. You had no motive or incentive or thought that you were able by this means to couple the name of Hearst up with a man who had just been convicted or executed for treason? That was not in your innocent mind?

Mr. BECKER. I have regarded anything that tended to establish the facts in regard to Mr. Hearst's relations with the Germans as of much greater public interest than anything that merely concerns Madam Barrientos.

Senator REED. And your purpose in giving this publicity was for the purpose of establishing the fact, was it?

Mr. BECKER. It was not for any purpose of establishing any fact. It was because I deemed it an interesting news story, and I really think the most interesting feature in it is the reference to Mr. Hearst; and the reference to Madam Barrientos interests a good many people, too.

Senator REED. Let us see. You only gave it out as a news story. You did not have any political interest in it at all?

Mr. BECKER. Well, I have not been averse to a little publicity now and then for my own benefit—also Mr. Lewis's benefit.

Senator REED. You had a hot political campaign on at that time?

Mr. BECKER. I do not think I was a candidate on that date, or had decided to be.

Senator REED. Were you not a candidate for the nomination on this date, running just as fast as you can run?

Mr. BECKER. I will not argue about it, but my recollection is that it was the 1st of August or the 2d of August, but I may be wrong.

Senator REED. If you were running on the 1st of August, did you have it in contemplation on the 31st of July?

Mr. BECKER. I could not tell you for sure. The publicity that was given out started a long time before that, and it kept running on through the campaign and has been going on since.

Senator REED. Let us be perfectly frank and maybe I can save reading you a very large amount of material. Is it not a fact that this issue had been made before this date, and that a square-toed issue had been made by which your chief, Mr. Lewis, was trying to defeat Gov. Whitman upon the claim that Gov. Whitman was backed by Hearst and that Hearst was so bad and so wicked a man that Gov. Whitman ought to be defeated, because of his association with Hearst?

Mr. BECKER. Subject to error of recollection, my recollection is that that interview between Hearst and Whitman at the St. Regis occurred after the 31st of July, but I may be wrong about that.

Senator REED. Let me see if I can refresh your recollection.

Senator KING. Let him complete his answer.

Mr. BECKER. I had completed it. There was a lot of what is now obsolescent political history, about that time.

Senator KING. Is it a fact that you attempted to prejudice—and I do not use the word improperly—the public in favor of Mr. Lewis and against Mr. Whitman by trying to associate Mr. Whitman's name with Mr. Hearst, and then Hearst with Bolo Pasha?

Mr. BECKER. I did not do that, but it was done.

Senator REED. It was done by your chief?

Mr. BECKER. It was done by the Lewis campaign committee, unquestionably. The political strategy was to tie Whitman up to Hearst on the theory that Hearst had been discredited with a large body of Republicans in the State. Let us talk frankly about politics as they are.

Senator REED. And as a part of that, you as the deputy attorney general of the State of New York, acting under the powers of the drastic statute which you say was intended only as a war-time measure, brought witnesses before you, compelled their testimony in these secret proceedings, and immediately gave the substance of their testimony to the public.

Mr. BECKER. No, that is not true at all. That is not a fair statement of the situation.

Senator REED. I am going to prove that it is true, and I am going to make you admit that it is true.

Mr. BECKER. Well, you will be a long time doing that.

Senator OVERMAN. Oh, prove it, Senator Reed, if you can, and do not argue with the witness.

Senator REED. Oh, I know how to run this thing, Senator. Just be patient with me.

Mr. BECKER. I have perfectly clear ideas about what I was doing at the time, ideas about governmental ethics and political ethics; and political ethics in New York, Senator, are just as good as they are in Missouri.

Senator REED. That is entirely possible. I am not challenging the political ethics of New York. I am just questioning your individual practices.

Mr. BECKER. All right. The great trouble with my individual practices is that I have been concerned in showing up Mr. Hearst. That is the serious part about what I have done.

Senator REED. The serious part about what you have done, my friend, lies far beyond that. We need not discuss that. The New York Tribune on October 4 carried a statement, and I want to ask you if it was not given out from Lewis's office. This is October 4, 1917, nearly a year before the incident we were just discussing. I read the headlines: "Bolo Pasha gives big dinner for Hearst, Results of investigation. Germany's master spy and publisher entertain each other in New York." Now, going on with the article:

"The records compiled by Lewis show that at the dinner given to William Randolph Hearst by Bolo Pasha there were also present Adolph Pavenstedt, a friend of Count von Bernstorff, and his directors of bomb plots, Capt. Boy Ed and Von Papen, Mrs. Hearst, Mrs. Owen Johnson, and Jules Bois."

That was given out from your office?

Mr. BECKER. No; it was not.

Senator REED. How did this paper know what the records were in Lewis's office?

Mr. BECKER. I will tell you all about that, if you want to know, and it is a good chance to clear up that old story. Will you turn me loose on that? I dare you to, and I will be absolutely truthful about it.

Senator REED. I am glad to know that you are assuring us that you are going to be truthful.

Mr. BECKER. I mean that I am going to be safely truthful. I do not fear even making a mistake.

When the Bolo case was made public, as it was very fully, there was a prepared statement. It was done at the Murrayhill Hotel in New York, from a room of Mr. Lewis there, as I recall it. A lot of men who are present were there, I think, or some of them.

Senator REED. That was his political headquarters, was it?

Mr. BECKER. Oh, no.

Senator REED. He did have political headquarters there?

Mr. BECKER. He had no political headquarters whatever. He had no contest at that time. He was not engaged in any political fight.

Senator REED. He was a candidate, was he not, on October 4, 1917?

Mr. BECKER. I think he was a nominee for attorney general, but there was no political headquarters, and these were not his political headquarters.

Senator REED. Very well; he was running for office, was he not?

Mr. BECKER. Sure.

Senator REED. At that time?

Mr. BECKER. Yes.

Senator REED. All right. What were these rooms that these several men met in that were not political headquarters?

Mr. BECKER. A private bed room.

Senator REED. Who were these men? Were they politicians, or philanthropists, or what?

Mr. BECKER. Representatives of the press, and therefore they were both.

Senator REED. What was their business there, to be getting an interview at that time? Did it have anything to do with politics?

Mr. BECKER. No; they had been told to come in and get the Bolo story.

Senator REED. Exactly. So that Mr. Lewis called the representatives of the press, who are both politicians and philanthropists, into his room?

Mr. BECKER. Yes.

Senator REED. Did he call them in their capacity as politicians, or in their capacity as philanthropists; do you know?

Mr. BECKER. As reporters.

Senator REED. All right. And Mr. Lewis, at that time, gave to the press a statement?

Mr. BECKER. Yes. That was rather brief.

Senator REED. You have the statement that he gave to them?

Mr. BECKER. I have not a copy of it.

Senator REED. I just read it to you, did I not?

Mr. BECKER. I have not the slightest recollection of it, except that it was a brief statement, that gave a very broad analysis of the situation.

Many of the papers at that time printed it in quotation marks, as being the official statement, and then went on with what, in music, we call a free fantasia, which means that it is not held to the strict form of musical construction, but——

Senator REED. Let us not get into music. Let us stick to the subject.

Mr. BECKER. This is all music to me.

Senator REED. It may be very amusing to you.

Mr. BECKER. "Music," I said, not "amusing."

Senator REED. I have no doubt that it is a very sweet morsel, and has been for some time, under your tongue.

Mr. BECKER. Yes.

Senator REED. Now, find the statement that was given out.

Mr. BECKER. I have not got that, as I say. If you want it you can find it in some of the papers——

Senator REED. I have read you one of them. I will read it again——

Mr. BECKER. Do not read it again, please. It is disgusting.

Senator REED. It is disgusting?

Mr. BECKER. Yes; because it is the result of such a bit of foolishness.

Senator REED. I do not understand either your answer or your manner. Do you mean to say that the statement I read you, and which professes to be a quotation, is foolish?

Mr. BECKER. Yes; it was never given out, and I am going to tell you, if you will let me, just how it happened.

Senator REED. Very well.

Mr. BECKER. I have been looking for the report. I started to say that all the depositions that had been taken up to that time, and these two reports of Perley Morse & Co. that I hold in my hand, were at that time submitted to the inspection of the press.

Senator REED. All the depositions that had been taken in the Bolo case?

Mr. BECKER. Yes. One reporter, whose name I do not recall——

Senator REED. One moment. May I ask you, there: Had Bolo Pasha been tried at this time?

Mr. BECKER. No.

Senator REED. This was evidence that you had taken in the Bolo Pasha case?

Mr. BECKER. Yes.

Senator REED. And before it had been heard in the case of Bolo Pasha you had given it out to the press of this country?

Mr. BECKER. Certainly; and I think it was a great public service, as opening the eyes of the people.

Senator REED. Although you have just said that the purpose of secrecy was in order that the evidence might not be disclosed until it was used at the trial.

Mr. BECKER. I did not say that at all.

Senator REED. Did you not say that in substance?

Mr. BECKER. Not in the slightest.

Senator REED. What was the object of secrecy?

Mr. BECKER. I think I can repeat my former statement, almost word for word: To prevent premature publicity, which might interfere with the success of an investigation.

Senator REED. Yes. Premature publicity in this country could not possibly occur, I suppose, the trial not having taken place over in France?

Mr. BECKER. The publicity was not premature. It was the publicity which was delayed, that should have been brought out many, many months before; but the facts were not known. It would have been very good for the country if they had been known.

Senator REED. You brought it out as quickly as you had it, so that your skirts are perfectly clear?

Mr. BECKER. I do not have to apologize for anything that was done in that respect.

Senator REED. I am not asking you to apologize; but I am asking you for the fact. Did you bring it out as soon as you got it, practically?

Mr. BECKER. No.

Senator REED. All right.

Mr. BECKER. It was kept secret for about—after the first information was obtained it was kept secret about a month. During that time the French Ambassador was consulted, and the question of publicity discussed, and in the end the statement went over to France and Bolo Pasha was immediately arrested.

After he had been arrested and put away, then there was still a little delay, to gather in some additional essential testimony. I can not give you the exact time, but I do not think it was quite so long as a month. It may have been two weeks. Then, when everything was practically complete, it was made public.

Senator REED. So that you did take depositions, then, under this law, prior to October, 1917, and you have those depositions there, have you?

Mr. BECKER. Yes. I have not told the entire story, but I am willing to pass it, if you wish.

Senator REED. I am not passing it. I am talking about the first depositions and I am asking you——

Mr. BECKER. The first deposition was taken October 3, 1917.

Senator REED. Yes; and it was given to the press, the substance of it, on October 4, 1917, was it not?

Mr. BECKER. Oh, yes.

Senator REED. That is the length of time you kept the depositions secret?

Mr. BECKER. No; not at all. Here is the date—September 21, and——

Senator REED. You just stated——

Mr. BECKER. September 21, 1917, is the date.

Senator REED. You just stated the first deposition was taken October 4, 1917?

Mr. BECKER. October 3, 1917.

Senator REED. October 3, 1917?

Mr. BECKER. Yes.

Senator REED. Let me get that clear before we pass it. Whose deposition was it?

Mr. BECKER. The cover will show, there. I think it was Pavenstedt's.

Senator REED. It was a deposition of Adolph Pavenstedt?

Mr. BECKER. Yes. No; the basis on which the arrest of Bolo was made was the accountant's report, the first report, of September 21, 1917.

Senator REED. I did not ask you about the basis——

Mr. BECKER. And that is the delay to which I referred, between September 21 and October 5—two weeks.

Senator REED. That is less than two weeks—12 days. All right; we do not care about that. That is immaterial.

Mr. BECKER. I think it is two weeks.

Senator REED. The very first deposition that you took was of the date of September 25. Whose deposition was that?

Mr. BECKER. No. The depositions were all closed up very suddenly. It was all done in one day, except some one that was taken a month or two later.

The important matter upon which Bolo was arrested, which was the conclusive evidence in the case, is contained in the accountant's report. It is the work of Perley Morse, and he deserves very great credit for it.

Senator REED. That is the document you hold in your hand, is it?

Mr. BECKER. Yes.

Senator REED. Let us take this chronologically. I am sure it will be very interesting. You state, now, that Mr. Perley Morse examined the accounts of Bolo Pasha, and on the 25th day of September made a report?

Mr. BECKER. The 21st day of September.

Senator REED. On the 21st day of September he made a report?

Mr. BECKER. I would like, some time, to tell that story, that I have in mind——

Senator REED. You will get it.

Mr. BECKER. But it is getting delayed, and you might forget it.

Senator REED. And it was upon this testimony, secured by Perley Morse, chiefly, that Bolo Pasha was convicted?

Mr. BECKER. Arrested.

Senator REED. That he was arrested?

Mr. BECKER. Yes.

Senator REED. It was also upon that he was chiefly convicted, was it not, as far as the evidence in this country is concerned?

Mr. BECKER. That is a matter of opinion.

Senator REED. All right, I will not ask you that, then.

Mr. BECKER. You can not estimate the varying effects of different elements of evidence. I think, myself, that the testimony of the witness Doyen, who was a very skillful and able French accountant, who took these banking records and put them into intelligible form in the form of testimony and spread them out before the court, was really the big evidence in the Bolo case; and then the Pavenstedt deposition, which I myself took, was characterized by some of the French newspapers as a crushing deposition. It had great effect, unquestionably, on the result.

Senator REED. So that, in your opinion now, three things were the chief matters in bringing about the conviction. One was the work of this American in running down the accounts; the second was the work of the French expert in arranging them; and the third was the Pavenstedt deposition which you took?

Mr. BECKER. The whole mass of depositions. They were not taken by me alone. They were taken by Robert C. Morris, Merton E. Lewis, and myself. We collaborated on them, and deserve almost equal credit, I should say.

Senator REED. I am not questioning anybody's personal credit; but it was the Pavenstedt deposition that was the principal thing that you mentioned, as in addition to the accounts, is that correct?

Mr. BECKER. Yes; I think that would be a fair statement.

Senator REED. Now, just a moment; so that we may get these dates fixed. We are beginning, now, with October 3, 1917, and it appears that that deposition of Pavenstedt was taken, according to the outside of these documents, October 3, 4, and 6, 1917?

Mr. BECKER. Yes.

Senator REED. And that he was recalled on October 11, 1917. Also that he was afterwards recalled on November 22, 1917?

Mr. BECKER. Yes.

Senator REED. Then you took, on October 3, the deposition of Ernest Charles Pignatelli?

Mr. BECKER. Yes.

Senator REED. And of Noureddin Vlora on November 8; of Hugo Schmidt on October 4; of Marie Louise Beraud on October 6; of Frederick W. Baumann on November 23; of John A. Darnell on January 12; of Howard R. Carlson on January 12; and of James R. Fallon on January 12, in 1917?

Mr. BECKER. Yes.

Senator REED. On October 3 you got the deposition of Pavenstedt. I want to ask you, now, if it is not a fact that there was given out on October 4, from your office, either by yourself or the attorney general or somebody acting for them, this statement—

Mr. BECKER. You mean about Boy-Ed?

Senator REED. About William Randolph Hearst.

Mr. BECKER. About Boy-Ed and von Papen being at the dinner? That is what I wanted to explain, and I can, if you wish.

Senator REED. All right, sir.

Mr. BECKER. In the accountant's report, as originally submitted—I must admit that I had not noticed, until this day, that it had been modified, but it appears to have been—there was a paragraph that merely represented rumor, I take it, which stated that a very notable dinner was given at Sherry's, one time, at which William Randolph Hearst, Bolo Pasha, and others were present; and in the original form—this may be given in some other place in the report, but I have missed it; but I remember distinctly that in the original form—of the accountant's report the names of von Papen and Boy-Ed were mentioned as being there; which, of course, was impossible.

Now, the statement that was given out contained no reference to Mr. Hearst whatever. He was not mentioned in it.

Senator REED. Did you give it out?

Mr. BECKER. No.

Senator REED. Did you hear it given out?

Mr. BECKER. Yes.

Senator REED. Who gave it out?

Mr. BECKER. Mr. Lewis. I think I drafted it myself. In fact, I know I did. It was a typewritten statement of a couple of pages or something like that. Then the reporters began to ask questions, as they always do, and one of them, whose identity I do not recall, said, "What about Mr. Hearst in this matter?" or something of that sort; "What were his relations to Bolo?" Mr. Lewis said. "So far as I know, his relations were purely social. There is no proof of anything else." That is substantially the statement. At any rate, that is the substance of it. Then——

Senator REED. Now, had——

Mr. BECKER. Please do not interrupt me. I am not through.

Senator REED. I want to get that conversation complete. Are you going to pass from it?

Mr. BECKER. That was all that was said with reference to Mr. Hearst at that meeting with those reporters, in any way, shape, or manner. Then——

Senator REED. After that conversation——

Mr. BECKER. Then, lo and behold, in the morning papers, some of them, appeared the statement which some keen-eyed reporter had gotten out of this accountant's report, which was entirely erroneous, that Boy-Ed and von Papen were present.

I did not see the thing, did not know it was in the morning paper, at all; and a reporter came in to see me about noon, at the Murrayhill Hotel, where I was stopping, and he said, "How was my report this morning?" I think, or something of that sort. He may have been from the Tribune, or some other paper.

I wanted to jolly him along, and I said: "Fine! Fine work," or something of that sort.

The matter was not brought to my attention that the report contained the statement about Boy-Ed and von Papen being present, which could not be true. But that, apparently, was treated by somebody else as a warrant for the assumption that this statement, that had appeared in one of the papers to the effect that Boy-Ed and von Papen were there, was correct.

News of this reached Mr. Hearst—it had been played up to by his papers as a great anti-Hearst line—reached Mr. Hearst in

California; and he gave out a statement to the effect that he never met Bolo but once, and that was at this dinner, and that it was purely a social affair; and he gave a list of the guests present, showing who was there.

That appeared in the Hearst papers. Then there ensued a long wrangle and controversy, and Mr. Hearst sought to bring down the Capitol at Albany and the Capitol at Washington on the head of poor Mr. Lewis. I got out from under, apparently, because I was not attacked, but Mr. Lewis was the man that got it. And, of course, when it comes to the use of billingsgate and balderdash there is nobody that can compare with the Hearst writers—it simply came down about Mr. Lewis's ears.

Finally there was a call upon Mr. Lewis by representatives of Mr. Hearst, at the Murrayhill Hotel. I think that the persons were Mr. O'Reilly, and, possibly, Mr. DeFord; but it is over a year ago, and my memory is a little at fault.

They demanded that Mr. Lewis should retract what he had stated; and he denied that he had ever said it. Then I forget just what did happen.

There was some misrepresentation, I remember distinctly, of what he said, that appeared in the Hearst papers. It was made to appear that he crawled. But as a precaution, fearing something of that sort, he called up one of the other papers that same evening and gave to it—I think it was the New York World—an accurate statement of just what had occurred between him and the Hearst representatives. So that the Hearst story the next morning as to this interview was given the lie by the World story as to what happened.

Senator REED. Now, let us see——

Mr. BECKER. If I had known that this was coming up, I could have refreshed my mind as to all these details.

Senator REED. The fact is——

Mr. BECKER. But what I have given you is correct as far as I can remember it.

Senator REED. The statement contained in the paper, that Mr. Hearst had a dinner and that Boy-Ed and von Papen were there, was a mistake, and was not correct. That is true?

Mr. BECKER. Yes. There is a story in newspaper row that it was due to the misplacing of a semicolon. Some of the reporters here can tell you about that.

I will say this, that one of the reporters, the man who started the story which incensed Mr. Hearst so much, and fortunately led him to putting himself on record that he met Bolo only once, that reporter came to us afterward and apologized to Mr. Lewis and to me for having got him into so much trouble in the matter.

Senator REED. That is, for having said wrongfully or untruthfully that Boy-Ed and von Papen were at the dinner.

Mr. BECKER. Yes.

Senator REED. So that it is a fact, now, that this statement that was given to the press that Boy-Ed and von Papen were at the dinner, was incorrect?

Mr. BECKER. No such statement was given to the press.

Senator REED. The statement that the press printed?

Mr. BECKER. That was absolutely incorrect, and ridiculous on the face of it.

Senator REED. And the representatives of Mr. Hearst came and asked Mr. Lewis to correct that statement and say that these two men were not there. That is true, is it not?

Mr. BECKER. No. They wanted more than that. They wanted considerably more than that. They wanted, practically, as I recall, an apology.

Senator REED. No; they wanted a statement, did they not?

Mr. BECKER. If you will look in the Morning World after the date when that interview occurred, you will see——

Senator REED. I will look at something else——

Mr. BECKER. It will give a precise statement as to what did occur, in the exact language that Mr. Lewis gave over the telephone, in my presence.

If you will look in the morning American of that same date, you will find nothing but a pack of lies about what occurred on that date.

Senator REED. Oh, yes——

Mr. BECKER. It is absolutely untruthful as to Mr. Lewis's position, from start to finish.

Senator REED. The point I am trying to get from you, while you are bandying with such familiar and easy grace the word "lie," is this, whether these representatives of Mr. Hearst asked Mr. Lewis to make a statement to the effect that it was not true that he had given out the charge that von Papen and Boy-Ed were there?

Mr. BECKER. That brings to mind what occurred. Mr. Lewis prepared——

Senator REED. Can you not answer that question "yes" or "no."

Mr. BECKER. Mr. Lewis prepared such a statement and gave it to them. They never printed it in the American, because it stated the fact that Mr. Lewis was not responsible; but Mr. Lewis gave that statement to the World, and you will find that statement that he gave to the Hearst representative, which merely stated the truth; printed in the World the next morning. I am glad you spoke of it, because it brings it to mind.

Senator REED. Yes. But a moment ago you said that he refused to give them a statement, and that he called up another paper and cautioned the other paper that he had refused to give a statement, and in that way he had headed off the lie that was to be printed in the Hearst paper. Now, which of your two statements was correct?

Mr. BECKER. I did not say that. You will not find any such statement in the record, and——

Senator REED. We will let the record speak for itself.

Mr. BECKER. Now that my recollection is refreshed, you will find the statement that he did give printed in full in the World the next morning. I think there are some men here who can corroborate it right now, if you care to ask them. The trouble was, he would not give Mr. Hearst's representatives the kind of a statement that they wanted, which was something that would not be true.

Senator REED. If they asked him to do anything more than merely say that he had not given out a statement to the effect that Boy Ed and Von Papen were at this dinner?

Mr. BECKER. Yes, I can tell you just what they asked, now.

Senator REED. All right. What did they ask?

Mr. BECKER. They wanted a certificate of loyalty and 100 per cent Americanism for Mr. Hearst.

Senator REED. And he refused to give that?

Mr. BECKER. He did. They wanted the privilege of writing it.

Senator REED. Did they have something written when they came there?

Mr. BECKER. I do not remember that.

Senator OVERMAN. Senator Reed, do you wish to go on further with your examination this afternoon? It is now 5 o'clock. Can you not resume in the morning?

Senator REED. It will be agreeable to me to suspend here until to-morrow morning.

Senator OVERMAN. Then, the committee will stand adjourned now until half past 10 o'clock to-morrow morning.

Mr. BECKER. Are there any papers you want me to produce, Senator?

Senator REED. Yes; I want you to produce your vouchers and accounts showing moneys that have been expended in procuring the evidence.

Mr. BECKER. They will not be produced, and I want to say now that I will not produce any of the confidential papers of our so-called Secret Service Department, nor will I produce or give any information in regard to the personnel of the investigators who have been working for the department.

Senator REED. I thought there would be some reluctance about producing those documents.

Mr. BECKER. There will be.

Senator REED. Perhaps the committee will have something to say about that.

Mr. BECKER. Yes; and I think I know what the ruling of the committee on that point will be.

(Whereupon, at 5.05 o'clock p. m., the subcommittee adjourned until to-morrow, Saturday, December 21, 1918, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

SATURDAY, DECEMBER 21, 1918.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m. in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Wolcott, Nelson, and Sterling.

Present also: Senator Reed.

Maj. HUMES. Mr. Chairman, I have the following letter from Mr. Samuel Untermyer, which I will read:

December 20, 1918.

Maj. E. LOWRY HUMES,

*Subcommittee of Senate Judiciary Committee,
Senate Office Bldg., Washington, D. C.*

MY DEAR SIR: Referring to the request contained in my letter of the 18th inst. to Senator Overman, will you be good enough to have instructions given Mr. Griffith L. Johnson, the official stenographer for the Committee, to have the minutes of my testimony, when transcribed, sent me for revision and correction before they are embodied in the record? This follows the ordinary method of these investigations and I have written to Mr. Johnson to confer with you on the subject and secure your permission.

Thanking you for your attention to this matter, believe me

Very truly yours,

SAM'L UNTERMYER.

Senator OVERMAN. I think there is no objection to that.

Maj. HUMES. Very well.

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Senator OVERMAN. Senator Reed, you may proceed.

Senator REED. Mr. Becker, did you find the letters rogatory that you referred to yesterday and could not lay your hand on at the time?

Mr. BECKER. I did not bring them to Washington from New York. I think a copy could be obtained, however, from the French Embassy, if you care to apply there.

Senator REED. Would you try to get that so that we could have them before the day is over? You seem to be in touch with the situation.

Mr. BECKER. It really is quite unnecessary, because I know just what it says.

Senator REED. Yes; but I would like to see it and see the dates.

Senator OVERMAN. Maj. Humes, probably if you would phone to the Embassy and ask them to send them down, if they have a copy of them, they would do so, and that would save time.

Mr. BECKER. There have been several in the Humbert case.

Senator REED. And in the Bolo Pacha case also.

Maj. HUMES. I assume they would not want to send the originals.

Senator REED. If they send a copy, that is satisfactory.

Mr. BECKER. The Senator wants to see whether I have given the dates correctly. I will give you the dates so that you can ask for them intelligently. There have been several in the Bolo Pacha case, and the first one, under which the greater part of the testimony was taken——

Senator REED. Let us have the first one.

Mr. BECKER. June 15, 1917. There was a subsequent one which broadened the inquiry.

Senator REED. When was that?

Mr. BECKER. The 5th of October, 1917. In the Humbert case there have been two or three, but I think the one in question is dated February 26, 1918.

Senator REED. Will you not please give me the first in the Humbert case?

Mr. BECKER. I am under the impression that is the first, but I could not be positive.

Senator REED. What is the date?

Mr. BECKER. February 26, 1918.

Senator REED. Is there another one in the Humbert case?

Mr. BECKER. I think so, but I have no reference to it here. We have taken a great many depositions in the Humbert case at different times, but that is the one under which the matters relating to Mr. Hearst were taken.

Senator REED. You have no copies of those letters?

Mr. BECKER. Oh, I did not bring any letters rogatory here.

Senator REED. We will wait and see if they can be produced. Did you have a considerable organization looking up the testimony in these matters relating to Bolo Pasha and Humbert?

Mr. BECKER. No, we have never had any organization whatever.

Senator REED. Did you have any individuals employed?

Mr. BECKER. From time to time, different individuals, yes.

Senator REED. Any detective agencies?

Mr. BECKER. I think not, on any action connected with the Bolo or Humbert cases. We have employed detective agencies at times, but I do not recall that they were ever employed on either of those cases.

Senator REED. When you speak of being employed on those cases, do you mean to cover the gathering of all of this evidence that you have produced here which you say you took pursuant to the New York statute and in the investigation of the Humbert and Bolo Pasha cases?

Mr. BECKER. Yes. You mean the matters relating to your client, Mr. Hearst?

Senator REED. You do not mean to say that Mr. Hearst is my client?

Mr. BECKER. Oh, I beg your pardon.

Senator REED. And you do not need to beg my pardon. You meant to be merely insolent. You meant to be merely what you have been throughout this testimony.

Mr. BECKER. That was a mere slip of the tongue.

Senator REED. It was not a slip of the tongue. It was a deliberate statement, and your attempt to develop it in that way does not reflect credit on your veracity.

Senator OVERMAN. Oh well, Senator Reed——

Senator REED. I will not allow any man to say that to me when I am sitting here engaged in an official inquiry.

Senator OVERMAN. He says it was a slip of the tongue.

Senator REED. I do not take this kind of slip, and it is nothing to me if——

Mr. BECKER. Oh, I do not expect to be arrested.

Senator REED. If you want to know who my client is, I am interested in trying to develop some truth through a maze of statements that have been so manifestly unfair and distorted that it is hard to characterize them in parliamentary language.

Mr. BECKER. As to these particular depositions that affect Mr. Hearst, to which I assume you have reference——

Senator REED. I have not asked you a question.

Mr. BECKER. There was no intervention of any detective agency, I am positive.

Senator REED. Where are the vouchers that show the moneys that were paid out in these investigations?

Mr. BECKER. Do you mean by "these investigations," the ones that affected Mr. Hearst? Are you confining yourself to that?

Senator REED. Investigations in regard to Bolo Pasha and Humbert.

Mr. BECKER. I think they are all in Albany, without exception.

Senator REED. In whose custody?

Mr. BECKER. They have been filed with the governor.

Senator REED. Have you copies of them in your office?

Mr. BECKER. I imagine so. I have never paid much attention to the financial end.

Senator REED. Did you keep any books in regard to them?

Mr. BECKER. Yes.

Senator REED. Who was it you sent out to find who had been visiting at Mr. Hearst's house?

Mr. BECKER. I decline to give any information in regard to the names of investigators who have been employed from time to time.

Senator REED. I submit to the committee that here are a lot of statements produced, from which this witness testified—statements of bell boys, statements of elevator boys and of hackmen, and the statement of an ex-convict. I submit that it is material to know who it was went to see these people, in order that it may be ascertained what influences were used to put words in their mouths.

Senator STERLING. Mr. Chairman, I think Senator Reed is hardly justified in the statement that he has made in regard to putting words "in their mouths."

Senator REED. What I mean is whether there was any effort of that kind made. You have the right to know, and you ought to know, what influences, if any, were brought to bear upon witnesses by anybody.

Senator STERLING. Your question distinctly assumes that they put words into the mouths of witnesses.

Senator REED. I do not mean to assume that.

Senator STERLING. I do not think that is fair.

Senator REED. I do not mean to assume that. Whether or not any such thing was done is a question that is material, and I submit that the name of the man who was sent to get these people and talk with them and to bring them as witnesses ought to be produced.

Maj. HUMES. Mr. Chairman, that examination is in the form of question and answer, and it has been produced here by the witness. The nature of the inquiry will determine whether or not the words were put in the mouth of the witness or whether the questions were fair questions propounded to the witness and resulted in that way—

Senator REED. Let me ask you for whom you appear here?

Maj. HUMES. I appear here by order of the Secretary of War to report to Senator Overman for duty.

Senator OVERMAN. At my request.

Senator REED. To represent whom?

Maj. HUMES. I represent no one except this committee, and I am here to obey the orders that I receive from this committee.

Senator REED. I wanted to know whether you represented the committee.

Senator OVERMAN. I hope we will get on without any irritation here.

Senator REED. If you do represent this committee, I want to know what kind of representation it is that would hesitate for a minute to consent to produce the name of the man who was sent out to get witnesses and to talk with witnesses. Are you interested in anything but the truth of this matter?

Maj. HUMES. I decline to dignify that inquiry with a reply. I am here to perform the duty that has been delegated to me by this committee, and I propose to perform it to the best of my ability. If my services are not satisfactory to the committee, I presume that the Secretary of War, at the request of the committee, will change the detail and relieve me from the detail. Personally, I can assure you that I would be very glad to be relieved of the duty. I am not here for pleasure, but I am here because it is my duty to obey orders.

Senator REED. I want to ask you, since you take this position, if you care to say that it is not perfectly proper—

Senator STERLING. Mr. Chairman—

Senator REED. Wait a minute—

Senator STERLING. Mr. Chairman, for one member of the committee I want to say that I think this is out of order. It is consuming time unnecessarily, and I do not think Senator Reed has any right to put Maj. Humes under cross-examination.

Senator OVERMAN. Maj. Humes is here at the request of the committee, and I hope you will desist from that, Senator. I do not think that is proper.

Senator REED. I undertake to say that as far as I am concerned here—and I have stated my position very clearly—I am a member of the Judiciary Committee that has to pass on the report that this subcommittee will make. I asked of the committee the privilege of cross-examining this witness. I have not any interest in this matter except to develop the truth of it, whatever it may be. As a part of

that I wanted to ascertain who it was that was sent to hunt up these witnesses, whose testimony I intend a little later to analyze. That is a fact that I do not see how any man can object to producing. What is there about it that should not be done?

Senator OVERMAN. I suggest that I have stated that Maj. Humes is a man who has been sent here at the request of the committee by the Secretary of War.

Senator REED. He rose to object to that question.

Senator OVERMAN. If he rises to object, then the committee would like to hear why there is any objection, because he represents the committee, and if there is any reasonable objection, we would like to hear it, because we are going to take this under consideration. If there is any reason why it should not be done, I do not see why you should cross-examine him.

Senator REED. The witness had not stated the reason. He was stating that there were certain things contained in depositions. I do not care to press this matter. I have nothing against Maj. Humes. I never saw him in my life until I came into this room, but it seemed to me a peculiar position to take.

Now, Mr. Becker, I want to ask, if I may go on, if you stand on your refusal to tell this committee and the Senate the name of the man or the names of the men that you sent out to gather up the witnesses whose affidavits and depositions you took, and that have been produced here, to which you referred, I think, as those that mention Mr. Heart's name?

Mr. BECKER. Yes.

Senator REED. You refuse that?

Mr. BECKER. Yes.

Senator REED. Why do you refuse it? What is there about this man that makes him——

Mr. BECKER. There is nothing about the man. Here is the point about it. This is a secret service work; and the whole idea of our act is that the names of the persons who operate shall not be known. That is a condition of successful secret service work everywhere. I was looking for a copy of the act. There is a specific reference to it.

Senator OVERMAN. Is it the policy of your administration in New York not to disclose these names?

Mr. BECKER. Absolutely. It is the policy of the statute itself. It is read right into it.

Senator REED. Would you find it for me in the statute? I would be pleased to hand you a copy of the statute. Let me see the part of it that makes it your duty not to disclose the name of the man who goes out to get the names of the witnesses [handing paper to the witness].

Senator NELSON. That is the rule of the secret service here, I know. I tried to get information and they would not give it to me, even in an ordinary pardon case. They would not let me see the report of the United States attorney.

Senator REED. I have handed you a copy of the statute. Point out to me the matter to which you refer.

Mr. BECKER. I read from the statute, as follows:

All appointments made pursuant to this subdivision shall be immediately reported to the governor, and shall not be reported to any other State officer or department.

Of course that is merely a matter of state policy, but I think that holds in Washington the same as there.

Senator REED. Let us see whether there is not something else that is in that statute besides that. Let me read it to you [reading]:

Whenever in his judgment the public interest requires it, the attorney general may, with the approval of the governor, and when directed by the governor shall, inquire into matters concerning the public peace, public safety, and public justice. For such purpose he may, in his discretion, and without civil service examination, appoint and employ, and at pleasure remove, such deputies, officers, and other persons as he deems necessary, determine their duties, and with the approval of the governor, fix their compensation. All appointments made pursuant to this subdivision shall be immediately reported to the governor, and shall not be reported to any other State officer or department.

Then follows this:

Payments of salaries and compensation of officers and employees and the expenses of the inquiry shall be made out of funds provided by the legislature for such purposes, which shall be deposited in a bank or trust company in the names of the governor and the attorney general, payable only on the draft or check of the attorney general, countersigned by the governor, and such disbursements shall be subject to no audit except by the governor and the attorney general. The attorney general, his deputy, or other officer designated by him, is empowered to subpoena witnesses, compel their attendance, examine them under oath before himself or a magistrate, and require the production of books which he deems relevant or material to the inquiry.

Then follows the language which states what shall be done with these reports:

Any officer participating in such inquiry and any person examined as a witness upon such inquiry who shall disclose to any person other than the governor or the attorney general the name of any witness examined or any information obtained upon such inquiry, except as directed by the governor or the attorney general, shall be guilty of a misdemeanor.

Do you mean to say that the names of the men employed are any more sacred or confidential under this statute than the information gathered under the statute itself is confidential?

Mr. BECKER. That is a question of opinion. I think it is a little more, because there is a general public policy and a quasi privilege that attaches to investigations of that character. If the names of investigators could be wrested from those in charge, every such investigation could be defeated in a minute. Imagine how far you would get with a secret service investigation if somebody could get one of the investigators in before an investigating committee who happened to have an interest in defeating the purposes of the investigation, and compel such investigator to disclose the name of every man who was working for the secret service department. Immediately every such man would be a marked man. That is absurd. Just as soon as I was compelled to disclose the names of my investigators I would have to discharge them all and get a new set.

Senator REED. I do not care to argue that question with you. We will let it stand on the statute; but this much I say, that any honest man making an honest investigation, making an honest report after his report is made, does not need the protection of secrecy.

Mr. BECKER. That is all nonsense.

Senator REED. Particularly after the evidence has been given to the world, and given to the world in advance of the trial of the man in whose case it was gathered.

Mr. BECKER. I notice that the Hearst forces have been trying, for six months, to find out the name of the man who made that investigation; and they have not succeeded yet, which shows that we have a pretty good secret service.

Senator REED. Now, Mr. Chairman, I ask that the committee direct the witness to answer the questions..

Senator OVERMAN. We shall have to have an executive session to determine that.

Senator STERLING. What is the question?

Senator REED. The question is who it was that was sent out to get these witnesses and to bring them in.

Senator OVERMAN. Will you repeat the question exactly, Senator Reed, so that we can have it before us, to pass upon?

Senator REED. I want the name or names of the person or persons who were sent out to secure the witnesses and to talk with the witnesses who were afterwards used in making the affidavits and the depositions which have been referred to here by the witness; and especially the name or names of the person or persons who were sent out to get the elevator men and employees, hack men and chauffeurs, whose testimony has been referred to.

Senator WOLCOTT. Let me ask, for my information, if Mr. Becker has said that these various deponents have been talked with by some one from the Attorney General's office prior to the taking of the depositions.

Senator REED. He has not said. He has said that he will not talk about it.

Senator WOLCOTT. Let him answer that question.

Mr. BECKER. How is that?

Senator WOLCOTT. Prior to the taking of the depositions, do you know whether or not these various deponents and affiants had been seen and talked with by some one on behalf of the Attorney General's office?

Mr. BECKER. I will have to answer that in two ways. As to the first lot whose depositions were taken, and to which particular reference has been made, I think that three of them—it may be four or it may be two, but I think it is three—made affidavits four or five months before they were called as witnesses, and those affidavits were in my possession.

The other two, I think, had not been talked to by anybody. They were simply subpoenaed. We got their names from the other three, you see; and they were subpoenaed, and came to the office and I examined them. Those that were subsequently called in had, in one or two cases of the three, been talked with before by, I think, officers of the Military Intelligence; because they were, as I recall, men in the service—in the Army.

Senator WOLCOTT. But not representatives of the Attorney General's office, of New York?

Mr. BECKER. I do not think so, at all. We simply got their names. If they were the same ones, and I think they were, they were in camps. One of them was brought from Atlanta, I think, or in that vicinity. My mind really is vague about it.

Senator WOLCOTT. With respect to some of these men whose affidavits you secured, they were interviewed by some one in the At-

torney General's office prior to their making the affidavits—using “affidavits” in the technical term?

Mr. BECKER. Yes; I had maybe two or three of them of the first lot, that I had had in my possession for three or four months—affidavits in the technical sense, signed by these men—which were in the handwriting of one of my investigators; so that it is quite clear that he must have interviewed them.

Senator REED. Just so that we may fix it; those affidavits that you had, in the handwriting of one of your investigators, were what affidavits?

Mr. BECKER. I cannot tell you now.

Senator REED. If I called the names to you, could you remember?

Mr. BECKER. I do not believe so. Maybe I could in one or two cases.

Senator REED. Were they these employees around the apartment that Mr. Hearst occupied?

Mr. BECKER. No; I think they were chauffeurs.

Senator REED. Chauffeurs?

Mr. BECKER. Yes; and possibly, come to think of it, one by Gazzola. I am not sure of it. I really do not carry the details in mind very well.

Senator REED. Let me see if I can refresh your recollection on the name.

Mr. BECKER. If Gazzola was the man who first told us about the Duke de la Caw and the Duke de la Brew, then he was the one.

Senator WOLCOTT. The testimony is, however, that the affidavits and depositions were taken by you, or in your presence, and were entirely different papers from those affidavits that had been made at this period of two or three months before and gathered in by investigators?

Mr. BECKER. Those were merely rough affairs that formed the basis for my examination; that was all. I went into the matter in some detail, by question and answer, all of which was taken by a stenographer. Then I made up what I considered a proper digest of their actual testimony, which formed the so-called political affidavits.

Senator REED. So, now, we will take the case of Gazzola, whose affidavit, bearing date of the 10th of August, 1918, was printed. That affidavit bears the same date as his deposition, does it not?

Mr. BECKER. Yes; that is one I dictated myself.

Senator REED. Before you took his deposition or wrote the affidavit which I have just referred to, on August 10th, there had been taken an affidavit of Gazzola by somebody in your office?

Mr. BECKER. It was in the handwriting of one of my investigators, if Gazzola is the man I think he is.

Senator REED. Yes. Was it sworn to?

Mr. BECKER. Yes.

Senator REED. Do you know where it was taken?

Mr. BECKER. I would prefer to mention one of the others, of which I am much surer than I am of Gazzola.

Senator REED. Just let us take the other in a moment, and clear up this as we can.

I think I will not attempt to state as to Gazzola, because I do not carry it in mind.

Senator REED. You do not know?

Mr. BECKER. I have a much more distinct recollection as to one of the others.

Senator REED. What is the other?

Mr. BECKER. Have you got the list of names there?

Senator REED. I can call some of them. Here is Mr. Gazzola, who made an affidavit. I think I can hand you a paper here, that has got all of these.

Mr. BECKER. That does not give the order. Here it is. Here was a man named Morris Berkowitz. I believe I had an affidavit in the handwriting of one of my investigators that was sworn to before a notary public in the Ritz-Carlton Hotel. Berkowitz was a chauffeur and his stand was around the Ritz-Carlton Hotel. I remember distinctly that I was informed that the notary or commissioner, whichever it was, before whom those affidavits were sworn to, was the notary of the Ritz-Carlton.

Senator REED. Morris Berkowitz was a chauffeur or a taxicab driver and he swore to his deposition before Bernard M. Berkowitz.

Mr. BECKER. Then I am wrong about that, you see, because Bernard M. Barkowitz was a notary public in the Murrayhill Hotel. Oh, that is the later one?

Senator REED. That is the one of the 9th of August.

Mr. BECKER. I am talking about an earlier affidavit.

Senator REED. Yes.

Mr. BECKER. An earlier affidavit was sworn to before a notary public, whose name I have no recollection of, at the Ritz-Carlton Hotel.

Senator REED. That affidavit was taken in the handwriting of one of your investigators?

Mr. BECKER. Yes.

Senator REED. And then turned over to you?

Mr. BECKER. Yes.

Senator REED. Was this an investigator employed under this law of New York?

Mr. BECKER. No.

Senator REED. Was he in the employ of the Federal Government?

Mr. BECKER. No.

Senator REED. By whom was he employed?

Mr. BECKER. Let me explain what I mean by that. We have been a little in doubt about just what our act means. I think, myself, and have acted on the assumption, that the act means that there may be regular appointments of persons who are permanently in that bureau. There was no such appointment made until quite recently, three or four months ago. Nobody had a permanent job working under it, but we simply employed people from time to time, temporarily, who were not appointed in that sense. They were merely employed sometimes for a day or two.

Senator REED. Was this man who took this statement of Berkowitz employed under and by virtue of this act, either temporarily or—

Mr. BECKER. Temporarily; yes.

Senator REED. Temporarily?

Mr. BECKER. That was the point I was making.

Senator REED. Exactly. He went forth as your representative under this act to secure this affidavit?

Mr. BECKER. Absolutely.

Senator REED. And in that capacity did secure it?

Mr. BECKER. He did a great deal of other work on the Bolo and Humbert cases, too.

Senator REED. In that capacity he secured this affidavit of Berkowitz?

Mr. BECKER. Yes.

Senator REED. What other affidavits did he secure?

Mr. BECKER. That is the only one I care to be sure of. I think there were three—two others were chauffeurs, and possibly Gazzola.

Senator REED. You think Gazzola was the other one?

Mr. BECKER. I think Gazzola's was not taken. I think he merely interviewed Gazzola and reported to me what Gazzola had to say.

If you will wait until I find out when Gazzola went into the Army, I think I can tell you more definitely.

Yes; I do not think I had any affidavit of his. He was drafted on April 29, 1918.

Senator REED. You do not think you had any affidavit from him?

Mr. BECKER. From Gazzola.

Senator REED. But there is an affidavit of Gazzola's?

Mr. BECKER. I mean, taken at an earlier date; one of these preliminary affidavits or statements.

Senator REED. Did you get an affidavit from him after he went into the Army?

Mr. BECKER. Yes; apparently that is the only one that ever was taken.

Senator REED. I do not want to dwell on the thing unnecessarily, but I do not quite get the——

Mr. BECKER. The question in my mind was whether I had an affidavit taken or prepared by my investigator early in the spring. I have reached the conclusion that I probably did not. I can not be sure about any of these things, except that I remember that there were three affidavits in the handwriting of the investigator, taken some time early in the spring.

Senator REED. Let us go through them and see if we can not get this in just as brief a space as possible; Morris Berkowitz made an affidavit and gave a deposition on the 9th of August, 1918. It is your opinion that several months before that, five or six months. I believe you said, an affidavit had been taken by your investigator and brought to you from Mr. Berkowitz?

Mr. BECKER. That is the best of my recollection, but I am not positive.

Senator REED. Now we will go to the next one. Here is a man, Vittorio Franco, who said he was a chauffeur, who also made an affidavit on August 9th. Had he made a previous affidavit to your investigator?

Mr. BECKER. Perhaps. I am not sure.

Senator REED. Here is one named Bernard Schomaker, who says that he was the doorman at the apartment in which Mr. Hearst lived, and he made an affidavit before you on the 9th of August?

Mr. BECKER. No—yes, yes.

Senator REED. Did you have a previous affidavit from him, that had been secured by your investigator?

Mr. BECKER. No. We went up and grabbed him and brought him down without any warning. He was one of Hearst's employees at the time.

Senator REED. You grabbed him and brought him down without any warning?

Mr. BECKER. Yes.

Senator REED. And took his deposition on August 9th?

Mr. BECKER. Yes.

Senator REED. And gave it to the newspapers on August 11th?

Mr. BECKER. If that was the date.

Senator REED. Or the 12th; which was it?

Mr. BECKER. I do not remember.

Senator REED. There was a political campaign going on then?

Mr. BECKER. Oh, yes; also a challenge from Mr. Hearst to Mr. Lewis to show anything tending to connect him with Bolo Pasha.

Senator REED. Yes. And so, under the powers conferred upon you by the State of New York to investigate matters affecting the public peace and the public interests, and pretending to act or claiming to act in that capacity as an investigator for France, under letters rogatory that they had sent you——

Mr. BECKER. I hope the Hearst reporter is getting all of this very carefully.

Senator REED. Mr. Chairman, are you going to permit that sort of intolerable conduct from a witness?

Senator OVERMAN. Just answer the questions, Mr. Becker.

Mr. BECKER. I apologize to the committee.

Senator REED (continuing). You proceeded to go up and grab the man, as you say, and take him down and take his testimony by force——

Mr. BECKER. Not by force.

Senator REED. That is, under the force of this statute—and then to give it to the newspapers, in a political campaign?

Mr. BECKER. No, sir.

Senator REED. Is not that exactly what you did?

Mr. BECKER. Not in the least.

Senator REED. Now, what did you not do of those things that I have said?

Mr. BECKER. Oh, well, I can not sort them out.

Senator REED. Oh.

Mr. BECKER. I did not do about 75 per cent, and I did do about 25 per cent.

Senator REED. Now, let us see what you did do. You were acting under the law of New York, were you not? That was the authority under which you grabbed this man?

Mr. BECKER. He was given a subpoena to appear forthwith.

Senator REED. You said you "grabbed him," did you not?

Mr. BECKER. Yes, that is the way we get results in investigations of this kind.

Senator REED. Yes, certainly. That is the way you go about it to get results?

Mr. BECKER. Yes; that is the way Mr. Hearst's employee happened to tell the truth before he had been warned to tell something different.

Senator REED. I submit, Mr. Chairman, that that comment is highly improper.

Senator OVERMAN. Just answer the questions, Mr. Becker.

Senator REED. Of course, if we are going to have a controversy back and forth, I will take care of myself in my own way.

Senator OVERMAN. Just answer the questions.

Senator REED. Under the law of New York you proceeded, when you went up and grabbed this witness—that is what you said, is it not?

Mr. BECKER. I guess I should not have said “grabbed.” We served a subpoena upon him to appear forthwith.

Senator REED. And who went along and brought him down forthwith?

Mr. BECKER. I decline to state. As a matter of fact, I do not remember.

Senator REED. One of your investigators, acting under this law, served a subpoena upon him to come forthwith, and had a hack there and brought him down forthwith?

Mr. BECKER. I should not wonder. That is the way I like to have these things done.

Senator REED. Exactly. You do not really like to have a man have any chance to see a lawyer or to protect himself?

Mr. BECKER. Not a Hearst employee.

Senator REED. You just want to grab him and get him in there and do business with him quickly?

Mr. BECKER. Yes, sir. That is the way to get them, when you are dealing with that kind of a bunch.

Senator REED. Was this man one of a bad bunch—this witness?

Mr. BECKER. He was working for a bad bunch.

Senator REED. You think so?

Mr. BECKER. Yes.

Senator REED. You think that if a man happened to be working running an elevator in a great apartment house in which William Randolph Hearst happened to live—you think that such a man working for him would necessarily be a villain and a bad one so that you would have to handle him differently from any other witness?

Mr. BECKER. Oh, not the man. I am not casting any reflection on Mr. Hearst's employees, but rather the persons who would influence them as to what they should say and what they should not say.

Senator REED. Was this the kind of a man whose testimony would be accepted by you?

Mr. BECKER. Hearst's employees I do not care to characterize.

Senator REED. Was he the kind of a man you did not care to let anybody see or talk to and whose testimony you had to get instantly?

Mr. BECKER. I thought it was a very good measure to take, under the circumstances—a measure of precaution, let us call it.

Senator REED. All right. You said that about seventy-five per cent of my question was incorrect and about twenty-five per cent of it was correct. It is correct that when you got him down there you took his testimony and then immediately wrote out an affidavit and took that affidavit and swore him to it; that is correct, is it not?

Mr. BECKER. Well, yes; except that the affidavit was sworn to before some notary either in the Murrayhill Hotel or in an adjacent hotel.

Senator REED. You went into another room so as to break the chain? You call a witness in under the law and take his deposition under the law and make a transcript of it under the law, and then take him into another room and swear him to that deposition, and that is not under the law; that is your distinction, is it?

Mr. BECKER. No; the notary public happened to be downstairs.

Senator REED. Yes.

Mr. BECKER. And after awhile he went out for his supper and then we had to go over to the Belmont Hotel to find one.

Senator REED. So that is the reason why you did not have it sworn to in your own room, because the notary public had gone home to his dinner?

Mr. BECKER. I don't know.

Senator WOLCOTT. You were not a notary public, yourself?

Mr. BECKER. I explained that yesterday.

Senator REED. You had power to administer an oath?

Mr. BECKER. Not to an affidavit.

Senator WOLCOTT. You were not a notary public, yourself?

Mr. BECKER. No.

Senator REED. But you could administer oaths in these investigations?

Mr. BECKER. Yes.

Senator REED. On that day you took this affidavit; and then you gave it to the newspapers along with a lot of other affidavits, either on the same day or within three days thereafter, did you not?

Mr. BECKER. Well, if that is right. I do not remember the time. It was within a short time thereafter.

Senator REED. Now, those were the points that were in my question, 75 per cent of which you said was inaccurate; and now you have testified that each item of that question is accurate.

Mr. BECKER. I do not agree with that. I think if the question is read, it will be shown——

Senator REED. I will not waste any time on that. Did you have the affidavit of Bernard Schomaker before the 9th of August?

Mr. BECKER. No; that is the one you just asked me about.

Senator REED. Yes; I beg your pardon. Did you have the affidavit of Charles J. Jerome?

Mr. BECKER. No; he was a convict.

Senator REED. He was a convict?

Mr. BECKER. Yes.

Senator REED. Did you have his affidavit before August 9?

Mr. BECKER. I am trying to remember. I really can not tell you. I do not recall.

Senator REED. If you did have it, was it obtained by this same investigator from your office?

Mr. BECKER. I think there were two men who worked on this investigation. I would not be sure of that.

Senator REED. Who was the other one?

Mr. BECKER. I won't tell.

Senator REED. Samuel Cornfield, who says that he was a taxicab driver; did you have his affidavit before the 9th of August?

Mr. BECKER. I will just state that my best recollection is that he was one of the taxi drivers whose affidavits were taken by the notary in the Ritz-Carlton; but that is only an impression.

Senator REED. Did you have a previous affidavit—one previous to August 9?

Mr. BECKER. Yes; that is what I am talking about.

Senator REED. That is what you mean when you say “taken at the Ritz-Carlton”?

Mr. BECKER. Yes.

Senator REED. Who was the notary in the Ritz-Carlton that swore these people?

Mr. BECKER. I do not remember.

Senator REED. Could you not refresh your recollection or find out, so that you could tell the committee who the notary public in the Ritz-Carlton was who took the affidavits of these men?

Mr. BECKER. I think very likely; yes.

Senator REED. That would not be a secret, would it?

Mr. BECKER. Oh, no. I have not anything here to refresh my recollection. I did not bring those things.

Senator REED. Was it Berkowitz?

Mr. BECKER. No. Bernard M. Berkowitz is a notary public and stenographer in the Murrayhill Hotel. He was no relation to Morris Berkowitz; they had never met before.

Senator REED. Here is an affidavit by Harry Block, dated August 9, 1918, in which he says that he is employed in the Brooklyn Navy Yard; that is, at the time this affidavit was given; that he was formerly employed by the Mason-Seaman Transportation Co. as a taxicab driver. Was his affidavit taken prior to August 9?

Mr. BECKER. Let me cover it in this way, if I may: My recollection is that there were four such affidavits; there was Berkowitz, Cornfield, Block, and Fredricksen, and I am pretty sure that the three that I had were three of those four, but just which three of those four it was I can not tell you.

Senator REED. Is it your best recollection that Block was one of them?

Mr. BECKER. Well, possibly. He is one of the four from which you can take the three.

Senator WOLCOTT. He is one of the possibilities?

Mr. BECKER. Yes; there are four candidates.

Senator REED. All of these affidavits which were taken prior to August 9 were taken by your investigator or your investigators in their capacity as investigators under this law of New York that has so often been referred to?

Mr. BECKER. Yes; and they were paid for their services from the State's funds for having taken them.

Senator REED. Yes; and you had that done yourself, acting under your powers granted by this statute of New York?

Mr. BECKER. Yes.

Senator REED. Now, I want to ask you, first, to tell us the name of the notary public before whom these affidavits that were taken prior to August 9, were sworn to?

Mr. BECKER. I can not tell you any more than I have said.

Senator REED. Will you secure the name of that notary public and send it to this committee?

Mr. BECKER. Oh, yes; I will be very glad to.

Senator REED. Is that notary public in the employ of your office?

Mr. BECKER. No; he was a notary public and cashier—as I understand; and this is hearsay; just what I was told; but I understand he was a notary public or cashier—or something of that sort, in the employ of the Ritz-Carlton Hotel Co.

Senator REED. Now, I ask you to tell the committee the name of this investigator, or of either of the investigators, who secured these affidavits which you say were secured prior to August 9, and who you say talked with the witnesses.

Mr. BECKER. That I decline to state, on the ground of privilege.

Senator REED. I now ask for the ruling of the committee.

Senator OVERMAN. Gentlemen, we will retire to the other room.

Senator REED. If the committee wishes to reserve the ruling on that, I will let it go until later, because I want to hasten this examination. Just let that stand in reserve.

Senator OVERMAN. Very well.

Senator REED. Will you state to the committee the aggregate amount of money that was expended in securing these affidavits and these depositions which have been referred to here?

Mr. BECKER. I do not know, and never did, because I do not audit the accounts.

Senator REED. Do you sign the vouchers or O. K. them?

Mr. BECKER. No. I think I may possibly have signed a check to pay out some lump sum; but those are all signed up at Albany, and audited by the attorney general. I do not recall one thing; I recall that Vittorio Franco and I had quite an argument about that, and I can tell you about that, if you are interested.

Senator REED. I do not care anything about the details.

Mr. BECKER. I think he got as much as thirty or thirty-five dollars, and I can explain why. He sent me a bill for one day's services of a truck, and he opened my eyes. He was not a very intelligent man, apparently, but he had become the owner of a motor truck, and we undoubtedly prevented him from going out for the American Express Co. for one day with his motor truck, by having him up to make his deposition, which was very short and rather unimportant. He sent in a bill, I think it was for \$35, and I think I paid him \$30, because I verified from the American Express Co. that that was what he was actually earning with that truck each day.

Senator REED. Of course, a witness called before you was not entitled to anything more than the statutory fees, as a matter of law, was he?

Mr. BECKER. I do not know. I have always treated witnesses as being entitled to be made financially whole for what they actually lost.

Senator REED. Do you do that in court, or only when you summon them into your office?

Mr. BECKER. I do that in court, too.

Senator REED. In court?

Mr. BECKER. Yes; it is a very common practice in New York. Not in criminal cases. I do not mean that.

Senator REED. Oh! This was a criminal proceeding, was it not?

Mr. BECKER. In criminal cases a man receives fees, but they are not payable by me; they are payable, under our practice, by the county treasurer on a certificate. That is a different thing.

Senator REED. The fees paid a witness called into court are fixed by law, are they not?

Mr. BECKER. Oh, yes.

Senator REED. And what are the fees in criminal cases, per day?

Mr. BECKER. The same as the legal fees fixed for civil cases.

Senator REED. Well, what are they?

Mr. BECKER. I forget what they are in New York. I am not really a New York practitioner. I know it is different from what it is up State. Up in the country I think they get 50 cents for a subpoena fee, and 50 cents for each day. Down in New York it is more.

Senator REED. It is not more than a couple of dollars, anyway, is it?

Mr. BECKER. It is something like that.

Senator REED. You say you made it a custom and a practice to pay witnesses you brought before you, for their loss of time, and that you did pay Vittorio Franco \$30 for his one day?

Mr. BECKER. Yes; for his actual financial loss.

Senator REED. Did you pay the other witnesses that were brought in before you for their time, in this proceeding that we are discussing now?

Mr. BECKER. Some of them. Not the military ones. There were three of them, I think, in the service.

Senator REED. Yes.

Mr. BECKER. And they were detailed by order of the Secretary of War to attend and give their testimony. Of course, I did not pay them anything, although I do think I did pay their traveling expenses.

Senator REED. But when they came in the first time and gave their depositions to your clerk or your representative, did they get paid for that?

Mr. BECKER. I do not know of any such time.

Senator REED. You said there were some depositions taken about five or six months before August 9?

Mr. BECKER. No. Affidavits that were written out and sworn to up at the Ritz-Carlton Hotel, where the men were stationed.

Senator REED. Was that where Vittorio Franco got his \$30 for attendance?

Mr. BECKER. Oh, no. That was when we brought him down and kept him around pretty nearly all day.

Senator REED. My inquiry was, did you pay him for attending up at the Ritz-Carlton Hotel?

Mr. BECKER. I can say pretty surely that there was not a cent paid up there.

Senator REED. Are you sure of that?

Mr. BECKER. It certainly never came to my notice, and I do not believe any such sum was paid; but that is hearsay, necessarily.

Senator REED. Was anybody else paid besides Vittorio Franco?

Mr. BECKER. I can not pick them out.

Senator REED. Were there others paid?

Mr. BECKER. Nobody was paid anything.

Senator REED. You said he was paid.

Mr. BECKER. Not as compensation.

Senator REED. I am not talking about that. I am talking about whether they were paid money; not compensation. Were any of the rest of them paid?

Mr. BECKER. Undoubtedly.

Senator REED. How much?

Mr. BECKER. I can not tell you.

Senator REED. About how much?

Mr. BECKER. Well, we paid the traveling expenses of one of these soldiers. I can not tell you which one. He came from away down south somewhere, I think; but I may be all wrong about that.

Senator REED. The vouchers would show, would they not?

Mr. BECKER. Yes; I have no doubt there are signed vouchers for every cent.

Senator REED. You could find out by looking at the vouchers, could you not?

Mr. BECKER. Yes; I think they are in the possession of the governor, though—the originals.

Senator REED. Well, you have copies, you say?

Mr. BECKER. Probably; I do not know. What I would consult would be my own check stubs, to see if I did not draw checks.

Senator REED. Will you tell this committee how much money you paid in the aggregate to all of these witnesses that have been referred to in this hearing, and how much you paid to each one of them?

Mr. BECKER. I do not think it would be proper for me to do that. I am willing to talk about it in a general way.

Senator REED. Why is it not proper to let the public know, and to let this committee know, and the Senate of the United States know, how much money passed between you or your representatives and these witnesses who testified?

Mr. BECKER. I do not know. I would be willing to trust to the judgment of the committee on that. If the committee thinks it is proper, I will go to Albany and hunt it up.

Senator REED. I ask for a ruling.

Senator OVERMAN. That will be reserved with the others.

Senator REED. Very well.

Mr. BECKER. It would be a lot of trouble. If you asked me, I would probably state it much larger than it is, from memory.

Senator OVERMAN. Did you pay out any money more than was necessary to compensate them for their loss of time?

Mr. BECKER. No, sir. The only other money we paid was 25 cents, I think it was, to the notary public for each oath he took; and then, of course, we had to pay a stenographer for reporting the depositions; and I think we had to pay a taxi driver for bringing some witnesses down.

Senator REED. The only one you remember having compensated, as you stated to Senator Overman, was the gentleman who wanted \$35 and who got \$30 for the one day that he lost?

Mr. BECKER. Yes.

Senator REED. Did he state to you that he had been promised that he would be made whole?

Mr. BECKER. No.

Senator REED. He just shoved in a bill for \$35, and you paid him \$30?

Mr. BECKER. I can not remember the details, but I am under the impression that I told all the witnesses, after they had made depositions, that I would honor a bill that would make them financially whole, so that they would not lose any money by reason of having attended to give their testimony, which practice the State of New York has approved in many other cases.

Senator REED. The State of New York paid this \$30 to Vittorio Franco for the time he lost in making this deposition?

Mr. BECKER. Yes.

Senator REED. Which you gave out immediately in a political campaign—

Mr. BECKER. No; that is not true.

Senator REED (continuing). To a newspaper?

Mr. BECKER. No; that is not true.

Senator REED. That is not true?

Mr. BECKER. No. These depositions were taken in perfectly good faith, along with a great many others concerning Mr. Hearst, which I have not made public, in connection with the Humbert case, for a perfectly good purpose. The original investigation back in March, when there was no controversy pending with Mr. Hearst, and no political campaign, and no prospect of any, was for a perfectly legitimate purpose. That was back about in March.

Senator REED. March of what year?

Mr. BECKER. March, 1918.

Senator REED. There was no political controversy with Hearst in March, 1918?

Mr. BECKER. None whatever.

Senator REED. Let us see if there was not. In 1917 Mr. Lewis was running in an election, was he not?

Mr. BECKER. Yes.

Senator REED. Mr. Mitchel was running also in that election?

Mr. BECKER. Well, Mr. Lewis had nothing to do with that, whatever. He was a resident of Rochester; and if you knew the truth as to what his real attitude was about the Mitchel campaign, you would be surprised.

Senator REED. Never mind that. I do not care anything about your comments. Just answer the question.

Mr. BECKER. Mr. Hearst charged at the time that Mr. Lewis was trying to help Mitchel, which, if you know the truth, was perfectly absurd. Mr. Lewis took no part in the New York City campaign and had no interest in it.

Senator REED. And you did not take any, did you?

Mr. BECKER. Absolutely none.

Senator REED. Not a bit?

Mr. BECKER. I vote in Buffalo.

Senator REED. There was a campaign for Mitchel in 1917, was there not?

Mr. BECKER. Yes.

Senator REED. And in that same campaign Mr. Lewis was running, was he not?

Mr. BECKER. Not in the same campaign; the same election.

Senator REED. Well, do not let us stop to haggle about that.

Mr. BECKER. One campaign was Mitchel's and the other Lewis's.

Senator REED. The campaign Mr. Mitchel was making was a campaign in which he had sought the Republican nomination, and then ran as a coalition candidate?

Mr. BECKER. Mr. Mitchel?

Senator REED. Yes.

Mr. BECKER. Yes.

Senator REED. He was the anti-Hylan candidate?

Mr. BECKER. He ran as an independent; not the nominee of any party.

Senator REED. Exactly; and he was backed by the Republican organization of practically all of Greater New York, was he not?

Mr. BECKER. Yes. Well, I would not say that; no. There was a great division of opinion.

Senator REED. He was backed by everything except Brooklyn, was he not?

Mr. BECKER. No.

Senator REED. Let me see if I can not give it to you accurately.

Mr. BECKER. I admire your knowledge of New York politics.

Senator REED. You may admire my knowledge about a good many things before you get through.

Mr. BECKER. As a gentleman from Missouri, it shows that you did hold somebody's brief.

Senator REED. Do you mean, sir, to insinuate that I hold somebody's brief?

Mr. BECKER. Not for Mr. Hearst, but from Mr. Hearst.

Senator REED. I submit to the committee that if this witness persists in such outrageous insinuations, I will take my own way to stop it.

Senator OVERMAN. Just answer the question, Mr. Becker.

Mr. BECKER. I apologize to the committee. Being under attack, one can not help that, occasionally.

Senator REED. I am going to ask you about this campaign now, because I want to get it straight.

Senator WOLCOTT. While you are looking among your papers, Senator Reed, I want to ask Mr. Becker a question. Referring to these affidavits that were taken, I want to ask a question which I think will cover ground that is really material, and I want you, Mr. Becker, to understand that in asking this question, no unfavorable comment upon you is implied by it. Was anything paid to anybody by way of inducement to get them to make these affidavits?

Mr. BECKER. Absolutely nothing. You know, Senator, when I was asked the question as to the original set taken up at the Ritz-Carlton, I necessarily had to state that I relied only on information and belief. I do not personally know what happened up there, but I have the utmost confidence in the man who made the investigation; and I know there were no funds paid out at that time that I had anything to do with.

Senator WOLCOTT. And with regard to the affidavits with the taking of which you did have to do, you speak of your own personal knowledge?

Mr. BECKER. Yes; as to them I know personally that the only funds paid out were simply to make those people financially whole. I want to be perfectly frank about it, although I think it would be

better policy to maintain the privilege of silence with reference to secret-service activities; but I have taken the chance of discussing it frankly, and I hope I shall not be criticized when I get back home.

Senator REED. We were talking a moment ago about the backing that Mr. Mitchel had. He was running as an independent, was he not, with the support of the Republican organization in New York County? Did he have that support?

Mr. BECKER. Yes.

Senator REED. And with its support in Kings and in Richmond County; is that right?

Mr. BECKER. Well, you evidently know more about it than I do. I do not wish to discuss the Mitchel campaign. I took no interest in it. I am not a resident of New York City. I had very little sympathy with it, and I could not state accurately to-day just what the political line-up was. I know, of course, that Mr. Bennet received a very large support in Brooklyn. I know there were dissensions everywhere, and that a good many people who were nominally for Mr. Mitchel proceeded to cut his throat afterward, so to speak.

Senator REED. I did not ask you that. I just asked whether these organizations were supporting him. If you know, say so; and if not, we will pass on.

Mr. BECKER. I guess you had better pass on.

Senator REED. As a matter of fact, the issue was being made in that campaign that Hylan was pro-German; that Hearst was pro-German, and the battlecry in that campaign was "Hylan, Hearst, and Hohenzollern."

Mr. BECKER. Oh, they pulled some stuff like that; yes.

Senator REED. That was the regular battlecry of the Mitchel people in that campaign; is not that true?

Mr. BECKER. Well, I do not like to speak about a man who is dead, but I thought at the time that Mr. Mitchel, or rather his campaign managers, had conducted a most unwise and unskillful campaign.

Senator REED. I am just asking you whether that was the cry that was being made. You remember that, do you not?

Mr. BECKER. Oh, yes; I remember something about it.

Senator REED. As far west as I live, I remember it.

Mr. BECKER. What was it?

Senator REED. "Hylan, Hearst, and Hohenzollern."

Mr. BECKER. Yes, and I remember "Bolo, Bernstorff, and Booze." too.

Senator REED. And in which campaign was that raised?

Mr. BECKER. Oh, I do not know.

Senator REED. I wish you would please give me those documents that you had the other day, in which there were a large number of depositions, including Pavenstedt's.

Mr. BECKER. It is right here [handing papers to Senator Reed].

Senator REED. Bearing in mind, now, that the Mitchel campaign was on, that Mitchel was backed by nearly all of the Republican organization, and that he was supposed to be strongly anti-Hylan, who was supported by Hearst, and that the cry was, "Hylan, Hearst, and Hohenzollern," I want to ask you if you did not take this deposition of Mr. Pavenstedt's on October 3, 1917, when that campaign was in full blast?

Mr. BECKER. I know this——

Senator REED. Just answer my question: Did you take it when this campaign was in full blast, on October 3, 1917? I will put it another way——

Mr. BECKER. I imagine so, although I was so busy on the Bolo case, I forgot there was a political campaign, and almost lost my vote in Buffalo.

Senator REED. And was the substance, or a part, of that deposition, given out to the newspapers on the next day?

Mr. BECKER. The whole deposition was turned over to the newspapers, and they did with it whatever their sweet will wished.

Senator REED. Exactly.

Mr. BECKER. But I do know this, that the Bolo case excited an interest that entirely eclipsed the political campaign for a couple of days and, in my judgment, that revelation in the Bolo case did more to stir up the American people against German propaganda, and to make them understand what it was, than any other one exposé that had been made up to that time, and that was the reason why it was given out, because the American people wanted to know. And I can tell you this, too——

Senator REED. I wish you would answer some of my questions.

Mr. BECKER. I am going to make a speech now.

Senator REED. All right; make it.

Mr. BECKER. Before Bolo's arrest and after it, the papers were full of rumors about the Bolo case; it was exciting great interest, and the true facts were not known. The publicity of that case was something that grew like flowers in the spring.

Senator REED. Yes, and it had such a tremendous effect in New York that Hylan was elected, was he not?

Mr. BECKER. If it was put out as a political measure to defeat Hylan, that shows simply the inability to grasp the situation and real interests of the country at that time.

Senator REED. Was it put out for that purpose?

Mr. BECKER. It was not put out for any political purpose.

Senator REED. Let us see. Who gave it out? Did you?

Mr. BECKER. Mr. Lewis and I together.

Senator REED. Yes, and the New York Tribune the next morning contained this statement, did it not?——

Mr. BECKER. I do not know.

Senator REED (reading): "Bolo Pasha gives big dinner for Hearst. Results of investigation. Germany's master spy and publisher entertain each other in New York. The records compiled by Mr. Lewis show that at the dinner given to William Randolph Hearst by Bolo Pasha there were also present Adolph Pavenstedt, a friend of Count von Bernstorff, and his directors of bomb plots, Captains Boy-Ed and von Papen, Mrs. Hearst, Mrs. Owen Johnson, and Jules Bois." Did your office ever correct that statement to the papers?

Mr. BECKER. We gave Mr. Hearst a statement correcting it, which he refused to print. Mr. Hearst threatened to sue Mr. Lewis for libel, and said he was going to do it, but he has never done it.

Senator REED. Oh, well, there is time enough for that. I do not know what he is going to do to Mr. Lewis, or anything about it. It makes no difference to me.

Mr. BECKER. That threat has been standing and has been challenged now for over a year, and no libel suit is yet forthcoming.

Senator REED. I asked you the question whether or not Mr. Lewis, or yourself, ever corrected that statement?

Mr. BECKER. Mr. Lewis corrected it.

Senator REED. Did he give a statement to the papers that Boy-E was not there?

Mr. BECKER. I think so.

Senator REED. When did he give it to them?

Mr. BECKER. I can not tell you.

Senator REED. As a matter of fact, now, there were at this dinner some other people who are not named in this article at all, were there not?

Senator NELSON. Mr. Reed, I would like to ask a question, for my own satisfaction. I understood you last night to say, Mr. Becker, that a corrected statement was made which was published in *The World*, and that Hearst got a copy of it, or his paper did, but did not publish it. Did you not say that last night?

Mr. BECKER. Yes, the statement was given to Mr. Hearst's representatives, and they carried it away with them.

Senator NELSON. And did you not further say last night that that statement was published in *The World*?

Mr. BECKER. Mr. Lewis took the precaution to give it to *The World*, so that it would appear in *The World* the next morning, but it did not appear in the Hearst papers.

Senator REED. Why did he take that precaution?

Mr. BECKER. Because he felt pretty sure that the Hearst papers would not publish it; and I will tell you precisely why, if you care to hear it.

Senator REED. Well, we will get the article: I will send for the *New York World*. Was there another distinguished newspaper man at this dinner, whose name was not mentioned in this article?

Mr. BECKER. I think it would be too bad to name the persons who were there. Inferences might be drawn from that. It might be assumed that I was accusing them of German propaganda. We do not like to mention people here.

Senator REED. Nobody would accuse them, except some very suspicious gentleman.

Senator WOLCOTT. The list of attendants at that dinner is in the record. Some other witness gave it to us.

Senator REED. I want to get it myself, with your kind permission.

Senator WOLCOTT. I say that for Mr. Becker's information.

Senator NELSON. I have a distinct recollection of a list of those who attended that dinner being given in evidence here.

Senator REED. I think so; and so far as I am concerned, I say that no man with a normal mind, it seems to me, would cast any aspersion upon this distinguished newspaper man—whose name has left me for a moment—because he happened to be at that dinner.

Mr. BECKER. I think it would be a wild inference.

Senator REED. I think so, but I wanted to know why his name was left out.

Mr. BECKER. I think I read it in the record myself day before yesterday, through the Bertelli deposition. It was Mr. Van Anda you refer to.

Senator REED. Of what newspaper?

Mr. BECKER. Of the New York Times, and he was invited there by Bertelli; and another man who was there was Mr. Julian Gerard, and Mrs. Gerard and Mrs. Van Anda were there, and several other ladies and gentlemen of eminent respectability. I am inclined to think Mr. Gary was there. At any rate, he did attend a theater party later with Mr. Hearst and Bolo. There is no significance in that dinner whatever, except camouflage.

Senator REED. I did not ask you for your opinion about it, I am just asking you who were there.

Mr. BECKER. Well, at the time this was given out, I had only very slight information about who were present.

Senator REED. But the information was given out, and you said yesterday that when it was given out, it contained the names of Boy-Ed and von Papen.

Mr. BECKER. I found that out afterwards. I did not know it then. If it had been drawn to my attention then, I should have very readily said that it was not correct.

Senator WOLCOTT. Is that a correct statement of your testimony of yesterday?

Mr. BECKER. It made no reference to the dinner whatever.

Senator WOLCOTT (continuing). That it did not contain the names of these two Germans?

Mr. BECKER. It made no reference to Mr. Hearst.

Senator WOLCOTT (continuing). But that some newspaper reporter stuck them in on the information he got?

Senator REED. Oh, no; you are wrong about that.

Mr. BECKER. The accountant's report contained a collection of bits of information which he had gathered. It did contain somewhere there a suggestion that tended to connect Boy-Ed and von Papen with that dinner. That had not reached our attention at that time, and we turned over all our papers—the depositions, reports, and everything else—to a reporter; and some reporter spotted that and proceeded to play up to it in his article. That is what happened. It was unlucky. I am very sorry it happened.

Senator WOLCOTT. Was that statement which appeared in the New York Tribune the next morning written by you or by Mr. Lewis?

Mr. BECKER. It was not written by us or ever submitted to either of us, and we were never consulted about it.

Senator WOLCOTT. So this statement in the New York Tribune was not given out then?

Mr. BECKER. Not in any way.

Senator REED. You gave out a statement of a witness, and that statement of that witness did contain the names of Boy-Ed and of von Papen; that is true, is it not?

Mr. BECKER. I do not think so.

Senator REED. What did you mean by saying that it was very unfortunate? Just explain that again.

Mr. BECKER. The matter is perfectly plain. We had a mass of documents. We had those depositions that you see there, except they were all in separate pieces, and we had this accountant's report [exhibiting paper].

Senator STERLING. And it was in the accountant's report, if I understood you correctly awhile ago, that some reference was made to Boy-Ed and von Papen?

Mr. BECKER. Yes.

Senator STERLING. And you handed all of those to the reporter?

Mr. BECKER. Yes.

Senator REED. Exactly.

Mr. BECKER. And we also gave the reporters a typewritten statement which did not mention Mr. Hearst.

Senator STERLING. Had you noticed this reference to von Papen and Boy-Ed in the report?

Mr. BECKER. I had not.

Senator REED. It was published in certain of the New York newspapers under glaring headlines?

Mr. BECKER. Undoubtedly.

Senator REED. And the reporter for the Tribune, I believe, came to you and asked you how you liked his report?

Mr. BECKER. It must have been. I do not know. I did not know the reporter. I did not know what paper he was on.

Senator REED. And you said "First rate," and jollied him along as you said yesterday?

Mr. BECKER. Yes.

Senator REED. And there were some representatives of Mr. Hearst who called on you and asked you or Mr. Lewis to sign a statement. Were you present when they called on Mr. Lewis?

Mr. BECKER. Yes; all throughout the interview.

Senator REED. You were there throughout that interview?

Mr. BECKER. Yes.

Senator REED. Did Mr. Lewis at that time say that he was willing to make a statement that von Papen and this other man, Boy-Ed, had not been there.

Mr. BECKER. He said that he was willing to make the statement that he did make.

Senator REED. But that is the only statement he did make, and you say that is printed in The World.

Mr. BECKER. Yes. There was a long discussion about it. The Boy-Ed and von Papen matter was discussed, and Mr. Lewis, as I distinctly recall, denied that he had had anything to do with that being given to the press, although they charged him with it. Then they wanted him to give a certificate of Mr. Hearst's hundred per cent Americanism. In other words, they wanted him to put himself on record practically that there was no evidence and never could be any evidence of Mr. Hearst's disloyalty, and to practically certify that Mr. Hearst was loyal. He said, "I will not do that, but I will give you this statement," which he then dictated. That statement was printed in The World the next morning, and if it had not been for the fact that Hearst had taken in advance the position that he had been slandered for political purposes by Mr. Lewis, I think he would have been entirely satisfied with that statement; but the trouble was that that statement put the article in the attitude of an accident, and not a deliberate act, and that did not satisfy him; so he printed a garbled account of the interview the next morning, the substance of which was that Mr. Lewis had crawled and withdrawn his unjustifi-

charges, which was an absolute fabrication, because it did not represent in the least fairly what had occurred.

Senator REED. Suppose you just answer a few questions. You do not now claim that it was any reflection upon any of these people who went to this dinner; that they happened to be there with Bolo Pasha, do you?

Mr. BECKER. The only persons upon whom it was a reflection were Pavenstedt and, possibly, Mr. Hearst.

Senator REED. Possibly?

Mr. BECKER. Yes.

Senator REED. Of course, with your feeling toward Mr. Hearst, you are not willing to exonerate him of any blame in that case, although you are willing to exonerate the editor of another great paper and Mr. and Mrs. Gerard and these other people who were there.

Mr. BECKER. The indignation that Mr. Hearst showed after that was so all out of proportion to anything that the facts seemed to warrant, that it, for the first time, suggested to my mind that maybe there was something wrong there.

Senator REED. Right then and there was born in your mind, because a man got mad when he had been attacked, and it was intimated that he was consorting with German agents, and the cry was raised that he was in allegiance to the Hohenzollerns—the fact that he got mad, under those circumstances, aroused in your virtuous soul—the suspicion that there must be something wrong about it?

Senator STERLING. Mr. Chairman —

Mr. BECKER. I admit that I have a virtuous soul that does not cause me any ills at all.

Senator REED. Certainly. That is a modesty that quite becomes you.

Mr. BECKER. Let me answer the question, if I may. I think it calls for an explanation: That, coupled with the fact that Mr. Hearst lied about the number of times he had met Bolo Pasha, and said he had only met him once, when the record of the testimony of his own employee, Bertelli, showed there were at least three meetings.

Senator REED. You have no hesitancy in saying that Mr. Hearst deliberately lied about that?

Mr. BECKER. Well, let us say that he said something that was untrue; because to characterize it as a lie has the effect of characterizing the intent, and it will be entirely sufficient to say that he gave out a statement that was untrue.

Senator REED. Even in this short examination you have found it necessary to refresh your recollection from books and papers. Where was Mr. Hearst when he made this “lying” statement?

Mr. BECKER. I do not think Mr. Hearst needed to refresh his recollection about Bolo Pasha very much.

Senator REED. Where was Mr. Hearst when he gave out this “lying” statement? Where was he at that time?

Mr. BECKER. The untrue statement?

Senator REED. Where was he?

Mr. BECKER. Out in California.

Senator REED. And there was a telegram sent out in which he said that he had seen Bolo Pasha but once, to his recollection?

Mr. BECKER. I do not remember anything about "to his recollection," at any time. I think it was pretty positive.

Senator REED. Well, we will see about that. That statement was printed, was it not?

Mr. BECKER. Oh, yes; and Mr. Lewis was threatened with a libel suit, too.

Senator REED. I want to proceed to the next step, to see whether you were using these documents for political purposes or not.

Senator WOLCOTT. Let me interject a question there, will you, Senator Reed?

Senator REED. Certainly.

Senator WOLCOTT. You said a moment ago, Mr. Becker, that Mr. Hearst's violent indignation at this discovery or this disclosure was what caused your suspicion against him?

Mr. BECKER. That was one thing.

Senator WOLCOTT. Do you not think that he had a right to be indignant, not at the mere fact of his discovery at a dinner with Bolo Pasha, but that the thing had been so published as to make it appear that he was in league with the Germans; and that, of course if untrue, would have very justly excited his indignation?

Mr. BECKER. Yes; I think a certain amount of indignation was justified. I think that if he had brought out a 6-inch gun, it would have been not very significant; but to bring out a Big Bertha and fire it at Mr. Lewis and everybody concerned, as he did, seemed to me to indicate an excess that perhaps had some significance; but that is merely a revelation—a suggestion of the impression that was made; that is all. I do not mean to say that it is anything safe to go upon, at all. I am just giving you the impression that I had at the time.

Senator REED. We have been all over the question——

Senator NELSON. I suppose we are entitled to a recess on Saturday afternoon, Mr. Chairman?

Senator OVERMAN. I was thinking I wanted to take that up with the committee. We dislike to make Mr. Becker come back.

Senator REED. I hope you will run on.

Mr. BECKER. Can we not finish up by 1 o'clock, so that I can get home? I have many pressing things to do.

Senator REED. We can get along a great distance in an hour, if you will just kindly answer questions, without comments.

Mr. BECKER. All right. I will promise.

Senator REED. I will try to do that.

Mr. BECKER. If you will abstain from comments in the questions. I will abstain from comments in the answers.

Senator REED. I think so much of you by this time that I am willing even to conform to your suggestions in asking my questions.

Mr. BECKER. I knew we would be friends before we got through.

Senator REED. After having had these affidavits once, of these witnesses, taken five or six months before August, 1918, what was the object in taking them the second time—on the 9th day of August, 1918? Did they need any revision?

Mr. BECKER. They were not in shape to send to the French Government.

Senator REED. I am speaking of affidavits, now—not depositions. Why did you take the affidavits the second time, when you already had them once?

Mr. BECKER. Well, I wanted my own kind, drafted in my language, to put the matter with absolute accuracy, just as the depositions warranted. I have the depositions here, and you can compare them with the affidavits, and see how accurate they are.

Senator REED. You followed the depositions absolutely?

Mr. BECKER. As accurately as I knew how.

Senator REED. As a matter of fact, these depositions were taken on the 9th, 10th and 11th of August?

Mr. BECKER. Possibly.

Senator REED. I want to read you a statement in an interview by Mr. Lewis, which was printed in the New York Tribune, and see if you agree with this.

Mr. BECKER. What is the date of it?

Senator REED. On the 4th day of August, 1918. [Reading:]

Concerning reports that he would complete the anti-Whitman ticket, the attorney general said: "I am not making any ticket. So far as I know, the only man who is to run on my anti-Whitman ticket is Alfred L. Becker, who is a candidate for the Republican nomination for attorney general."

I am reading that to you, and I ask you, now, if you and Mr. Lewis were not running together, on substantially the same ticket? You said, yesterday, that there were no real tickets; but I mean on the same slate, the same arrangement, the same organization?

Mr. BECKER. We were such good friends, that we had to be together.

Senator REED. Yes. In the same statement, which was given out by Mr. Lewis, he made this statement, did he not? I am going to read this, with the permission of the committee, because I think it will absolutely unfold this whole situation. [Reading:]

Lewis Tells About Hearst in Bolo Exposé.

Senator NELSON. In what paper is that?

Senator REED. It is from an article in the New York Tribune, August 4, 1918.

Refused to Sign 'Clean Bill of Health' for the Publisher. Agent of Editor Offensive, he says. Attorney General Asserts Whitman Had No Part in Spy Inquiry.

Senator STERLING. Those are the headlines.

Senator REED. Yes.

By the way, Mr. Becker, on yesterday you said the man who was responsible for these inquiries was the governor, because he had signed papers; but, as a matter of fact, did he know anything about what was in the papers?

Mr. BECKER. I do not think that is quite a fair question.

Senator REED. Do you undertake to say that the governor is in any way responsible for the character of the investigation you made?

Mr. BECKER. No. That is entirely up to the attorney general, All that he did was to direct that the French Government's request be complied with.

Senator REED. I want to read the rest of the article. [Reading:]

Attorney General Merton E. Lewis, candidate against Governor Whitman in the Republican primaries, in an interview yesterday, denied that the governor is entitled to any credit for exposing the activities of Bolo Pasha, the traitor executed as a German spy by the French Government following his operations in this city.

He also declared that after the investigation disclosed that William R. Hearst had had a conference with Bolo Pasha, two of Mr. Hearst's agents, Lawrence J. O'Reilly, now a commissioner in the board of water supply, and William A. DeFord, of counsel for Mr. Hearst, called on him at the Murray Hill Hotel, and tried to obtain a signed statement from him exonerating Hearst from any blame in connection with the German spy. Afterwards he said he received a telegram from Mr. Hearst again attempting to obtain from him a 'clean bill of health,' as the attorney general put it, all without avail.

I call attention to this, that the language of Mr. Lewis is not that he was asked to certify, by Mr. DeFord and Mr. O'Reilly, to 100 per cent loyalty on the part of Mr. Hearst, but that he was asked to sign a statement exonerating Mr. Hearst from any blame in connection with the German spy.

I continue to read:

The visit of Mr. O'Reilly and Mr. DeFord took place after the New York newspapers had printed the doings of Bolo Pasha, taken from sworn testimony, said Mr. Lewis: "We had had an exhaustive investigation, of material witnesses, including Pavenstedt, Schmidt, and others, and the testimony was spread before the newspaper men, with the result that great publicity was given to the matter.

"It was on the day following this expose that I received a visit from Mr. O'Reilly and Mr. DeFord who said they represented Mr. Hearst. They called at my room in the Murrayhill Hotel, and brought a statement which they had prepared, exonerating Mr. Hearst, and assuring the public that there had been nothing in the investigation that in any manner reflected upon Mr. Hearst. They were offensive in their manner. I refused to sign their statement, and they wanted to know the reason. I told them that the record spoke for itself. I told them I had drawn no inference whatsoever concerning Mr. Hearst's meeting with Bolo Pasha; and that, as I had not charged Hearst with any offense, I was not called upon to give Mr. Hearst an exoneration."

That is a very different thing from having a thing given out by mistake, and then attention being called to it and regret expressed; but it is standing upon the statement given out, which it is admitted contains the names of Boy-Ed and von Papen as being guests at this dinner.

What did Mr. Hearst want?

They wanted a clean bill of health for Mr. Hearst. [Continues reading:]

The morning following my refusal of the request from Messrs. O'Reilly and DeFord," continued Mr. Lewis, "an attack was made on me in the New York American, in a signed article in which Hearst said he would have me indicted for criminal libel, and that he would sue me, personally, for damages. He has never had me indicted, nor has he sued me.

"I made out a preliminary report of the investigation of Bolo, and sent it to the French Government, a week in advance of the preparation of the full report. It was on the strength of this preliminary report that Bolo was arrested by the French Government.

"I noticed in some of the papers to-day a suggestion that the governor had been asked by interested parties to call me off in the investigation of Bolo. The governor knew nothing about the findings of the investigations until they were published. It is only fair to say that the governor never interfered, at all. I don't think he was ever asked to call me off."

"Was there more than one instance of an attempt on the part of Mr. Hearst or his agents to get you to exonerate Mr. Hearst?"

"Yes; a few days after the first incident, while I was at home in Rochester, I received a telegram purporting to be from Mr. Hearst, in which I was requested to wire the New York American; and then followed a prepared statement which, in general terms, exonerated Mr. Hearst from blame in connection with Bolo Pacha.

"I wired Hearst that unless he withdrew the charges he had made against me, and the threat that he would proceed against me for criminal libel, I would have no further communication with any representative of a Hearst paper.

"Concerning reports that he would complete the anti-Whitman ticket, the attorney general said:

"'I am not making any tickets. So far as I know, the only man who is to run on my anti-Whitman ticket is Alfred L. Becker, who is a candidate for the Republican nomination for attorney general. I had nothing to do with Mr. Becker's decision to be a candidate, but I am glad to be associated with him. I have no quarrel with anyone but Whitman. I believe his reelection would be disastrous to the Republican party and to the State. There is no reason, so far as I know, why I should oppose the renomination of Lieutenant Governor Schoeneck, Secretary of State Hugo, Comptroller Travis, Treasurer Wells or State Engineer Williams. I shall not advise anyone to get out or stay out of the race for any office he wants to fill.'

"Reverting to his own responsibility for the Bolo Pacha investigation, the Attorney General said:

"'The Governor didn't know anything about the investigation of Bolo until after it was completed.'

"The papers came from the French Consul General to the Governor, who turned them over to Frank Lord. Lord had a habit of 'passing the buck' to me, and he passed the Bolo Pacha papers to me. I found that I could act under the State secret service and went ahead. There was no occasion for consulting the Governor about the matter. I prepared an authorization for me to go ahead with the investigation and presented it to the Governor, and he signed it without reading it.

"From time to time after I was nominated for Attorney-General I heard stories to the effect that William Orr, George Glynn or George Graves, of the Governor's staff, had said that I had made a great mistake in antagonizing Hearst and that I would have a hard time in being elected.

"In the fall of 1917, while I was a candidate, the Governor told me he would be making speeches right along and that it would afford him pleasure to commend my record as Attorney-General. So far as I know, he never said anything about me. My friends, a week or two before the election last year, gave a dinner for me at the Republican Club. The Governor was invited but he sent regrets.

"Did you conclude that he held aloof because of the result of the investigation of Bolo Pacha?

"Now, this is the Governor we are talking about:

"'That is exactly the conclusion I reached,' said Mr. Lewis.

"When I announced my candidacy in May, I stated that I was opposed to Governor Whitman's methods. Yesterday the secretary to the Governor called the superintendent of the Capitol into his office and gave him a list of eight names of district leaders in the employ of the state in the Capitol with instructions to direct such eight men to apply at once to the Governor for appointment as notaries public for the purpose of circulating the Governor's nominating petitions among enrolled Republican voters in Albany County.

"The superintendent took the list, called in the men and submitted the proposition to them. Without exception the eight men declined to comply with the demand made upon them and stated that the reason for their declination was that, as independent American citizens, they intended to exercise their rights at the primary and vote for the man of their choice for the Republican nomination for Governor; that they were unwilling to ask for their own appointment as notaries for the purpose of circulating Whitman's petitions.

"This action on the part of the secretary to the Governor is a violation of the spirit, if not the exact letter, of the civil service law.

"Coercion of employees by a public officer is strictly forbidden by that law.

"It is not within the function, however, of the Attorney-General to act but of the local district attorney, if a crime has been committed."

Now, I have read that, Mr. Becker, and it speaks for itself. I want to read another.

Here is an article published in the New York Tribune of August 2, which I want to read to show the animus of this alleged investigation that has been carried on. [Reading:]

Lewis to Pin Hearst Down on Bolo Facts.

Senator OVERMAN. From what paper is that?

Senator REED. The New York Tribune of August 3, 1918.

Senator STERLING. You said August 2, before, did you not, Senator Reed?

Senator REED. I should have said August 3. If I said August 2, it is an error. There is "Exhibit 2," right above it, and perhaps I saw that "2." [Continuing reading:]

Lewis to Pin Hearst Down on Bolo Facts.

Challenges Statement of Publisher About Relations with German Spy.

Attorney General Again Leading Fight, Issues Statement; Charging Alliance Exists Between Hearst and Whitman.

Attorney General Merton E. Lewis, Disabled and on Crutches, Resumed Personal Direction of His Campaign for the Republican Nomination for Governor Yesterday, at the Murray Hill Hotel.

He charged there is an alliance between Gov. Whitman and William P. Hearst and asserted that when Hearst said, in his formal statement, that his only conversation with Bolo Pacha, the German spy, executed by the French Government, was with reference to the cost of paper, he knew he was making a false statement. He demanded of Governor Whitman that he tell the public what it was that Arthur Brisbane, chief editorial writer for Mr. Hearst, said to him at the St. Regis Hotel, when he called on the governor last week.

Mr. BECKER. I said yesterday that it was Hearst that called. That was a slip in my recollection. It was Mr. Brisbane.

Senator REED. Yes. This refreshes your recollection?

Mr. BECKER. Yes.

Senator REED. I continue reading:

Mr. Lewis' Statement: The attorney general's statement follows:

I have been confined in the Saratoga hospital as a result of an automobile accident. As a necessary consequence my campaign for the Republican nomination for Governor has lagged somewhat. In other words, the punch has been missing. The reason, of course is the man with the punch has not been on the job. He will be on the job from today until primary day. There will be a punch every day.

I expect to win and shall exert every effort to accomplish that result.

The alliance between Governor Whitman and his oldtime supporter, William P. Hearst will be dissected and exposed. I shall show between now and primary day the real purpose of the combination between Hearst and Whitman.

The antagonism of Mr. Hearst toward me became apparent for the first time when I investigated the activities of Bolo Pacha. At that time Mr. Hearst said in a statement which he signed and which was published in his papers: "I met Bolo Pasha merely as a French newspaper man, a reputed representative of the Paris Journal. He came to me and said, 'You use more print paper than any other man in the United States. Will you tell me where to get the best and cheapest. Print paper is almost obtainable in Paris.' I told him where we got our print paper and how we paid for it, and gave him all the information about the paper market that I could, and that any newspaper man with any courtesy would naturally give to a visiting French journalist.

The conversation was general and trivial, as it is at all such social dinners. That is all that I have ever known or seen or heard of Bolo Pacha. I demand of the Attorney General to disprove any word in this statement of mine or to substantiate any one of his own unwarranted implications. Should he fail to do so I shall proceed against the small Attorney General of the great State of New York for petty and premeditated slander.

Senator STERLING. That is what Lewis says Hearst said?

Senator REED. Yes. [Continuing reading:]

Mr. Hearst knew, when he made this statement, that it was false. He knows it now. I know it, and during the next thirty days I shall prove to the satisfaction of everyone that Mr. Hearst deliberately told an untruth when he said "That is all I have ever known or seen or heard of Bolo Pacha."

I shall show many other facts in connection with the relations between Hearst and Governor Whitman and expect to convince the public that these men have long had close personal relations and they are leagued together. The purpose of this combination between Hearst and Whitman will be made clearly apparent to the public before primary day.

I now call upon Governor Whitman to answer this question: What did Brisbane say to Whitman at the time he called upon him at the St. Regis Hotel a few days ago?

"Wait till Mr. Lewis says something specific about relations between Whitman and Hearst and then the governor will reply to him," said one of the Governor's lieutenants at the Manhattan Hotel Headquarters last night.

That is the newspaper man's statement, now. I have been reading quotations.

Continuing, the Governor's representative said:

"The Attorney-General, in his exposure of the relations between Hearst and Bolo Pacha, whatever these relations were, is acting as the Governor's subordinate. The request to investigate Bolo Pacha came from the French Government."

That is the other side of it. That is the Whitman controversy. I will read it if the committee wants it. If not, let it go in as a part of the argument.

Just one thing further on this. I want to introduce the affidavit of Louis J. Lang, because I want now to impress upon this committee the deliberate threat of Mr. Lewis to use this material in a campaign, to expose Mr. Hearst in a campaign where the issue was made that Mr. Hearst and Mr. Whitman were one and the same, and to demonstrate, at one and the same time, that Mr. Whitman was a traitor while they were trying to demonstrate that Mr. Hearst was.

Senator OVERMAN. Is that an affidavit that you want to introduce?

Senator REED. I want to read this affidavit.

Senator OVERMAN. Do you want to introduce it in evidence?

Senator REED. Yes.

Senator STERLING. When was this affidavit made, and under what conditions, Senator Reed? Does it show?

Senator REED. It is an affidavit which was made touching this controversy. I am introducing it just as a plain, simple affidavit.

Senator STERLING. It has not been produced before in these proceedings?

Senator REED. No; it has not.

Senator OVERMAN. It has not been offered in evidence, and you are reading it, and wish to offer it in evidence?

Senator REED. I am reading it to show the animus of this proceeding, and then I am going to ask some questions, later on. [Reading:]

Louis J. Lang, being duly sworn, deposes and says—

Senator OVERMAN. This is a part of your question, as I understand, that you are leading up to?

Senator REED. I do not know that I will call it a question. I am putting it in as preliminary to a question.

Senator STERLING. In regard to that procedure, Mr. Chairman. I have some question, at first blush. I am not sure.

Senator REED. Let us see. This witness has sat here for two days, not proceeding under the rules of any court or any law, but reading parts of statements, and detailing them, and giving his impressions and opinions from testimony that took days to go over. Am I to understand that, as a member of the Senate, I must now proceed in accordance with the strict rules of law? I simply want to get this before this committee.

Senator OVERMAN. You are reading it as preliminary to a question that you are going to ask, as I understand.

Senator REED. I am going to ask some questions with relation to it. [Reading:]

I reside in the city of New York and am a reporter for the New York American, and was acting as a reporter for that newspaper during all the times hereinafter referred to.

I have read the exhibits hereto annexed, marked "B-2" "B-4" and "B-13"—

Senator NELSON. Those exhibits are newspaper quotations?

Senator REED. The exhibits that I refer to here?

Senator NELSON. Yes.

Senator REED. B-2, B-4, and B-13 are the newspaper prints of the affidavits of these witnesses that have been referred to, the boys and the chauffeurs, as also in Exhibit 6.

I continue to read:

and know the contents thereof. Such parts of said exhibits as purport to be quoted statements of Hon. Merton E. Lewis, attorney general of the State of New York, are in substance identical with certain parts of various typewritten statements handed to me for publication by said Merton E. Lewis at his political headquarters in the Murrayhill Hotel, New York City, on the day immediately preceding the day of their respective publications in New York newspapers—

Senator OVERMAN. Who is the man who is making the statement there?

Senator REED. This is a reporter for the New York American. [Continuing reading:]

the dates of publication being indicated upon each of the annexed exhibits.

The point I want to show you is that these things were given out from the political headquarters of these gentlemen. [Continuing reading:]

I have read Exhibit B-11, hereto annexed, and know the contents thereof. Such parts of said exhibit B-11 as purport to be quoted statements of Senator Theodore Douglas Robinson are in substance identical with certain parts of a typewritten statement handed to me for publication by said Theodore Douglas Robinson, personally, at the political headquarters of Attorney General Merton E. Lewis in the Murrayhill Hotel, New York City, on the 31st of July, 1918. I know the said Theodore Douglas Robinson, above referred to, to be the campaign manager of the said Attorney General Lewis.

I have read Exhibit B-6, hereto annexed, and know the contents thereof.

Now, Exhibit B-6 I will call attention to with the permission of the committee.

Exhibit B-6 is an article printed in the New York Tribune of August 12 and which I desire to read because it is given out from these political headquarters. The headlines are:

Bolo and Bernstorff Visited Hearst Home, 8 Witnesses Swear.—They Went There Sometimes Together, Sometimes Separately, and Were Nicknamed by Help.—Handy Iron Bridge From Roof to Roof.—Affidavits of Chauffeurs and Employes in Editor's House Given out by Lewis.

From his political headquarters, by his political campaign manager, on August 12; and these affidavits bear date the 9th, 10th, and 11th that have been heard here, and the depositions that have been heard here bear the same dates.

The Attorney General of this State, Merton E. Lewis, who last year at the request of the French Government developed the proofs on which the notorious Bolo Pacha was recently shot in Vincennes for the crime of treason to the allied cause, yesterday made public a lot of unexpected evidence on the relations of Bolo Pacha, Count von Bernstorff, and William Randolph Hearst.

This evidence is in the form of affidavits and is prefaced by the following statement from the Attorney General:

"In the statement issued by William Randolph Hearst on October 5, 1917, he said:

" 'I met Bolo Pacha merely as a French newspaper man, the reputed representative of the Paris Journal. He came to me and said, "You use more print paper than any other man in the United States. Will you tell me where I can get the best and cheapest?" I told him where we get our print paper, what we paid for it, and gave him all the information about the paper market that I could and what any newspaper man with courtesy would naturally give to a visiting French journalist. The conversation was general and trivial, as it is at all such social dinners. That is all that I have ever known, seen or heard of Bolo Pacha. I defy the Attorney General to disprove any word in this statement of mine or to substantiate any one of his own unwarranted implications. Should he fail to do so I shall proceed against the small Attorney General of the great State of New York for petty and premeditated slander.' "

That is quoted, of course, from what Hearst said. The interview or statement continues:

"I showed by the testimony of Hearst's Paris correspondent, Bertelli, given at the trial of Bolo for treason, that, instead of Hearst meeting Bolo only once, he met him three times:

"First—Hearst entertained Bolo at luncheon.

"Second—Bolo entertained Hearst at a dinner at Sherry's.

"Third—Hearst entertained Bolo at a theater party and supper.

"I am now prepared to show by six affidavits that Hearst received Bolo at the Hearst home on Riverside Drive.

"I am now prepared to show by six"—

Then there is a "three" which is evidently a misprint; it says "six" and also says "three"—

"affidavits that Hearst received Count von Bernstorff, the German Ambassador, and Bolo at the Hearst home at one and the same time and that this happened on two or more occasions.

"I am prepared to show by many affidavits that Count von Bernstorff was a frequent visitor at the Hearst home at about the time of Bolo's visit to New York in the spring of 1916, when Bolo obtained \$1,683,000 from Von Bernstorff with which to carry on in France the same German peace propaganda that Hearst was then conducting in America."

"The affidavits now published are eight in number.

"Perhaps the most interesting is that of Charles H. Jerome, who was superintendent of the Clarendon apartment house, at 137 Riverside Drive, which is said to be owned by Hearst, and three floors of which are occupied by him as a private residence. Jerome swears:

"(1) That Count von Bernstorff was a frequent visitor at the Hearst apartment and expected to be taken up unannounced.

"(2) That Bolo Pacha was also a visitor at the Hearst apartment.' "

Mr. BECKER. May I interrupt to say that from this point on, that is, beginning with the analysis, and where it says: "Perhaps the

most interesting is that of Charles H. Jerome" and so forth, is the reporters' work. Prior to that it is a statement that we got up.

Senator REED. You seem to be quite familiar with this?

Mr. BECKER. I think I wrote what goes down to that point.

Senator REED. Yes.

Mr. BECKER. Down to where it says: "Perhaps the most interesting is that of Charles H. Jerome" and so forth. I think so. I am not positive.

Senator REED. Then we will not bother with the reporter's statements. You are evidently more familiar with that than I am.

Mr. BECKER. The rest is the reporter's analysis of the affidavits.

Senator REED. This man Jerome, that is referred to as the most interesting of these gentlemen——

Mr. BECKER. Not by me; and I do not think he was. However, he turned out to have a criminal record, which has been played up to by Hearst, as if that damned him from forever taking a breath again. He has tried to live an honest life for about four or five years, if I remember correctly, and has been in Hearst's employ.

Senator REED. Mr. Hearst found out that he had been an ex-convict and let him out. And you found him, and took his statement: and that is his picture, and his Bertillon record there, is it not? [Indicating.]

Mr. BECKER. I think that is correct. I never have been able to understand the philosophy of bouncing a man just because he is an ex-convict.

Senator REED. No. "Charity for all," is a good maxim.

Mr. BECKER. When it makes it possible to display beautiful cartoons in the paper of persons with balls around their legs in company with Mr. Lewis, why, of course, it is good stuff.

Senator REED. Of course, it is very unkind to use it; but it is not unkind to tell the truth about a convict as it might be to tell an untruth about men who are not convicts.

Mr. BECKER. The law is no respecter of persons, and if Mr. Hearst will come here and make his denial under oath, it will receive due consideration.

Senator REED. No, the law is no respecter of persons, but most human beings are. However, you and I do not need to get into any controversy. I want to continue reading this affidavit of Lang's.

Senator WOLCOTT. Let me ask a question there, please; in regard to this man spoken of as an ex-convict; what was he convicted of?

Senator REED. It shows on there—larceny.

Senator OVERMAN. What was his punishment?

Senator REED. I do not know. There is no importance to it except that it simply shows that he is one of the links, important links, in this testimony to show the meeting of Bolo Pasha and Bernsdorf at Mr. Hearst's house, and he is one of the witnesses. That is all. I have nothing against the poor fellow and have no desire to pursue it.

Maj. HUMES. May I ask Mr. Becker a question? Did you or did you not, Mr. Becker, present the affidavit of this man Jerome in this testimony yesterday?

Mr. BECKER. I did not, out of excessive caution.

Maj. HUMES. It has not been presented before this committee at all?

Mr. BECKER. No.

Senator REED. But it was presented to the newspapers?

Mr. BECKER. Yes. Of course, we did not know then that he was an ex-convict. I do know but what I would have, even if I had known it.

Senator REED. Certainly you might have done it.

I am reading, again, from this deposition or affidavit of Mr. Lang, further:

I have read Exhibit B-6 hereto annexed and know the contents thereof. Such parts of said exhibit as purported to be quoted statements of Hon. Merton E. Lewis, attorney-general of the State of New York, are in substance identical with certain parts of a typewritten statement handed to me for publication by Louis Getts whom I know to be the secretary of said Merton E. Lewis, at the political headquarters of the said Lewis, in the Murrayhill Hotel, New York City, on the 11th day of August, 1918.

The typewritten statement of which said Exhibit B forms a part was handed to me as a preliminary statement to accompany the affidavits hereto annexed and marked respectively "Exhibit A-1 to Exhibit A-8" inclusive.

Those are this list of affidavits, I will say, for the benefit of the committee; printed copies of them. I continue reading:

I have read the exhibits hereto annexed, marked "Exhibits A-1 to A-8" inclusive and note the contents thereof. Said exhibits are in substance identical with certain parts of a typewritten statement handed to me for publication by Louis Getts whom I know to be the secretary of Merton E. Lewis, at the political headquarters of the said Lewis, in the Murrayhill Hotel, New York City, on the 11th day of August, 1918.

"At the various times when the several typewritten statements were handed to me as aforesaid by Mr. Lewis, Mr. Getts or Mr. Robinson, excepting Exhibits A-1 to A-8 inclusive and Exhibit B-6, there were usually present on each occasion representatives of the New York World, New York Times, New York Tribune, New York Sun, and New York Herald, to each of whom were given typewritten statements which I believe to be similar in all respects to the statements handed to me by the persons above named."

Now, I want the committee to notice this. [Reading:]

On August 2, 1918, I was told by the said Attorney General Lewis at his political headquarters above named that he would issue a "punch" every day, and that most of his "punches" would be directed at Mr. Hearst who he said was the big issue of the primary campaign."

That is subscribed on the 16th day of August, 1918. Now these threats were made on the 2d, 3d, and 4th of August. You secured these affidavits on the 9th, 10th, and 11th of August, and you gave them out to the newspapers with these statements which I have read. Some of the statements you say you wrote. Do you mean to say to me, sir, that your purpose in preparing those affidavits was not for political use?

Mr. BECKER. I have explained myself on that. I do not care to enlarge on it.

Senator REED. Nothing further to add?

Mr. BECKER. No, I have been perfectly definite and frank about it.

Senator WOLCOTT. Mr. Becker, this affiant here swears to some threats that you made.

Mr. BECKER. Not that I made. I know nothing about that.

Senator WOLCOTT. It was Lewis.

Mr. BECKER. As a matter of fact, Mr. Lewis had personally nothing to do with that branch of the investigation. I started it without

his knowledge in the beginning, and tried to get some evidence to use, under the theory that Hearst was the intermediary. That is the way it struck me.

Senator REED. By the way, when you made your campaign for the nomination, your friends put forth as one of the chief reasons for your nomination, that you had accomplished very great results in the investigation of the Bolo Pasha case, did they not?

Mr. BECKER. Well, there was a campaign circular that does violence to the feelings of a modest man, I must admit.

Senator REED. Yes; that was one of your issues.

Mr. BECKER. It was not an issue, it was an argument.

Senator REED. One of your reasons. Now I want to take up an entirely different subject, and I want to be as hasty with it as I possibly can, if the committee will indulge me; and you have been very kind.

Mr. Becker, in 1916, our country was occupying a position of absolute neutrality, was it not?

Mr. BECKER. As a nation, yes.

Senator REED. As a nation, it was. It was the request of the President of the United States that we should be neutral not only in act but even in thought?

Mr. BECKER. He requested that, right after the beginning of the war. That was not generally obeyed.

Senator REED. You did not obey it?

Mr. BECKER. No, sir.

Senator REED. Did you belong to any societies or organizations during 1916 that had to do with getting the United States to take sides in this war?

Mr. BECKER. No.

Senator REED. Did you belong to any society that had anything to do with it?

Mr. BECKER. You mean the National Security League and leagues of that sort?

Senator REED. Yes.

Mr. BECKER. I had nothing to do with any of those societies.

Senator REED. Did you belong to any society of that character?

Mr. BECKER. No.

Senator REED. Did you belong to any political society except the Republican Party?

Mr. BECKER. No.

Senator REED. All right. In 1916 Count von Bernstorff was the accredited representative of a neutral nation to the United States?

Mr. BECKER. He was a good deal more than that.

Senator REED. He was that, was he not?

Mr. BECKER. He was that at least.

Senator REED. Yes. He called on the President of the United States and on the Secretary of State repeatedly, and was received there on the same terms and conditions as other ambassadors?

Mr. BECKER. In the latter part of 1916?

Senator REED. In 1916.

Mr. BECKER. I think not.

Senator REED. Well, I am going to say in February, 1916?

Mr. BECKER. Well, I do not carry the dates of the various controversies as they developed, but I think it is safe to say that from

the time of the seizure of Dr. Albert's papers and their publication——

Senator REED. When were these seized?

Mr. BECKER. I do not know when they were seized, but I believe they came out in the latter part of July, 1915.

Senator REED. 1915?

Mr. BECKER. And especially after the seizure of Von Igel's papers by the Department of Justice.

Senator REED. When were these seized?

Mr. BECKER. That date I can not give you, but from that time on I do not believe Count von Bernstorff was received on the same footing as other representatives, actually. Technically, of course, he was.

Senator REED. Yes, technically. In February, 1916, is it not a fact that Count von Bernstorff was generally received socially and politically as a distinguished foreign diplomat?

Mr. BECKER. I do not think so.

Senator REED. Is it not a fact that long after that he was entertained at a dinner by the Vice President of the United States?

Mr. BECKER. I do not know anything about it.

Senator REED. Is it not a fact that he attended the diplomatic dinners of the United States and was duly received there long after February, 1916?

Mr. BECKER. Yes; of course no social distinction could be made against him at official dinners.

Senator REED. And was he not received, and do not the records of the investigation that you made show that he was received, in many families of undoubted loyalty in this country?

Mr. BECKER. I have not made any investigation of Bernstorff's social career, except his relation with certain ladies of very unpleasant reputation, because that had to do with the discovery of certain intrigues of a political nature, in which he was engaged. Apart from that I am not an expert on Bernstorff's social relations, except that I had very general knowledge that the social sphere in which he moved grew gradually narrower and narrower, and after the *Lusitania*, in May, 1915, it got just about as big as this (indicating).

Senator REED. Just about as big as a circle you drew with your finger?

Mr. BECKER. Yes.

Senator REED. When was it that he was given his passports?

Mr. BECKER. February 3, 1917, was it not?

Senator REED. Yes. That was a full year after the date I am speaking of.

Bolo Pacha you described here. Is it not a fact that Bolo Pacha was born in France?

Mr. BECKER. Born at Marseilles; Levantine ancestry.

Senator REED. Bolo Pacha had risen to a position of great distinction with the French Government?

Mr. BECKER. Never.

Senator REED. Never?

Mr. BECKER. No, but with the Turkish Government, with the ex-Khedive of Egypt, and when he was Khedive.

Senator REED. Had Senator Humbert acquired some distinction in connection with the French Government?

Mr. BECKER. Yes.

Senator REED. He was the man, was he not, that raised the outcry that France was not prepared for war, and he had a great deal to do with getting the French in a state of preparedness? That was his public claim.

Mr. BECKER. "Cannon and munitions" was his cry, which he spread all over.

Senator REED. And he had been raising that cry for how long?

Mr. BECKER. I do not know; quite a while.

Senator REED. That was of course distinctly in the interest of France's preparedness.

Mr. BECKER. Well, that is not entirely admitted by the French. I do not know just what there was to it.

Senator REED. Very well, the ordinary person would ordinarily believe, would he not, that a man who was advocating cannon and munitions for a country that was menaced by Germany, and crying out to be ready, was a friend of the country.

Mr. BECKER. Senator Humbert had the reputation of being a very great patriot; much greater than anybody else in the country, almost.

Senator REED. He was the proprietor of the French Journal?

Mr. BECKER. The Paris Journal.

Senator REED. And that Paris Journal, as you stated on your direct examination, had been openly and violently pro-French and anti-German?

Mr. BECKER. It had been a medium in this campaign for cannon and munitions.

Senator REED. And that had been a persistent and determined campaign carried on from day to day, and it was well-known throughout the world among people who were connected with the French newspapers? That is so, is it not?

Mr. BECKER. I presume so.

Senator REED. Bolo Pacha, whether he was a part of the French Government or not, was received in the loyal circles of Paris up to the time or shortly before the time of this exposure which finally led to his execution? That is true, is it not?

Mr. BECKER. Well, he moved in a circle headed by the Socialist Caillaux, the former premier of France, and in addition to that he had a very interesting and very gorgeous career. He maintained very elegant equipages and cut a great figure. He was a dashing sort of chap. But if you ask if he moved in the best circles of French society, I should say not.

Senator REED. I do not mean his society standing, but whether, in Paris in February, 1916, at the time he came to this country, his loyalty had been publicly challenged, or whether it was generally conceded that he was a loyal Frenchman.

Mr. BECKER. I do not know that there was any general opinion about it. He was a pretty obscure individual.

Senator REED. He was not so obscure that he did not come into relations with Senator Humbert, and it was understood that he was to be a part owner of the Journal. That is true, is it not?

Mr. BECKER. That is not quite it, but it is accurate enough for our purposes.

Senator REED. It is accurate enough for our purposes.

Mr. BECKER. Yes.

Senator REED. And at the time we are speaking of, there was a great shortage of paper, news print paper, throughout the world, was there not?

Mr. BECKER. Yes.

Senator REED. Now as to Bolo, are you prepared to say that nobody had challenged the loyalty of Bolo Pasha before he came to the United States in February, 1916?

Mr. BECKER. I can not name anybody who had.

Senator REED. Of course you are not prepared to say to the committee that no one had any reason for believing at that time that he was not a loyal citizen?

Mr. BECKER. He imposed on almost everybody in this country.

Senator REED. He came here and he brought a letter of introduction, or he was introduced by Mr. ————what is that Italian's name?

Mr. BECKER. Bertelli introduced him to Hearst.

Senator REED. He was introduced to Hearst by Mr. Bertelli?

Mr. BECKER. At least, Bertelli says so.

Senator REED. Yes, Bertelli says so. As far as you know, that is the first acquaintance that Mr. Hearst had with Bolo Pasha?

Mr. BECKER. A personal meeting.

Senator REED. Yes. So far as you know it is the first time he ever communicated with him in any way?

Mr. BECKER. I can not prove anything else.

Senator REED. Do you know anything else?

Mr. BECKER. I can not prove anything.

Senator REED. Do you mean to insinuate anything before that?

Mr. BECKER. Not a thing.

Senator REED. Then you might have said yes.

Mr. BECKER. That is a clean bill of health proposition.

Senator REED. I am not asking you to give a clean bill of health. I am asking you whether you know of any fact showing that Mr. Hearst knew Bolo Pasha before he was introduced to him by Bertelli, and you had said no. That is all I asked.

Mr. BECKER. I could draw some inferences which are fairly well based on things that are known. For instance, how would Bertelli come over here without the Hearst people knowing it? He was their correspondent. He had to get leave; had to explain in some manner why he came. So I think he communicated with Hearst or the Hearst papers before he crossed. If they would produce the correspondence and telegrams we would know all these things.

Senator REED. If there is no correspondence and there are no witnesses, would you have a right to sit here under the protection of the law and throw out insinuations?

Mr. BECKER. I was not.

Senator NELSON. I want to know for my information what was the name of this man.

Mr. BECKER. Bertelli.

Senator NELSON. He was the representative at Paris of the Hearst newspapers, was he?

Mr. BECKER. Yes.

Senator NELSON. Their correspondent—their Paris correspondent?

Mr. BECKER. Yes.

Senator NELSON. And he was the man that came over with Bolo!

Mr. BECKER. He came over for the purpose—he has sworn. I think, for the purpose—of introducing Bolo to Hearst.

Senator REED. Has he so sworn? Produce that evidence.

Mr. BECKER. I may say that I may be mistaken about that. I read it in.

Senator NELSON. I asked these questions to refresh my memory. I got the impression that he was the correspondent of the Hearst papers in Paris.

Mr. BECKER. I read the whole, or that part, of the deposition in evidence, and it will speak for itself. If I remember rightly—I will not take the time now.

Senator NELSON (continuing). And that Bolo came in company with him on the same ship.

Mr. BECKER. Yes.

Senator REED. He came on the same ship, I think, Senator: but the point is I do not think there is anything to show that he came in company with him at all, and that is why I asked for the deposition.

Mr. BECKER. Bolo gave him 11,000 francs, which Bertelli afterwards claimed was a loan, and paid back.

Senator REED. Will you get the statement of Mr. Bertelli? You can find it.

Mr. BECKER. If it is here. Ask me another question and I will find it.

Senator REED. No, let us have it now. [A paper was here handed to Senator Reed.] Let me read the deposition, part of it. This deposition shows, according to the witness, that Bertelli brought Mr. Bolo Pasha over here.

Mr. BECKER. I did not say that at all.

Senator REED. Well, go back to that question that I asked, and let us see.

Mr. BECKER. I stated that he came with him and introduced him to Hearst.

Senator REED. You said more than that.

Mr. BECKER. If I did, it will speak for itself. Let us save all this trouble. So far as Bertelli's deposition is concerned, he referred to him there as "my traveling companion."

Senator REED. Let me read it. [Reading:]

Deposition of Bertelli, Charles, 35 years of age, nationality: Italian. 2 Rue de la Faix, heretofore sworn.

Q. In two pneumatics which you addressed to us and which we annex to the present deposition, you have requested to be heard anew; we are ready to receive your declarations.

A. I have been pained to see the name of Bolo coupled with that of Mr. Hearst whom I continue to consider as a sincere friend of France.

Why did I introduce Bolo to Hearst? Because Mr. Jean Finot, director of La Revue, whom I had known since 1912, the period when I was correspondent of the New York Times, had sent Bolo a letter of introduction to Mr. Hearst and had requested me to vouch for him with Hearst. He said to me, "Interest yourself in the matter, Bolo has very great political power, he is the proprietor of Le Journal and it would be well for Hearst to know him." As I have already told you, I made the voyage with Bolo in 1916. On my arrival in New York my traveling companion introduced me to Jules Bois, who was already there and was charged with giving lectures and with propaganda for the French government.

Now, did you say that Mr. Finot, the director of the *La Revue*, had been a correspondent of the *New York Times*?

Mr. BECKER. No, it was Bertelli who was the correspondent of the *New York Times*.

Senator REED (reading):

Because Mr. Jean Finot, director of "*La Revue*," whom I know since 1912, the period when I was correspondent of the *New York Times*, had sent Bolo a letter of introduction.

Now do you challenge the loyalty of Mr. Finot?

Mr. BECKER. I do not know the gentleman.

Senator REED. You do not know anything about it, but you challenge the truth of the statement that he had sent this letter of introduction?

Mr. BECKER. I do not know anything about it.

Senator REED. Did you ever find the letter of introduction?

Mr. BECKER. Well, I suppose Mr. Hearst has it with his other documents. He might produce it.

Senator REED. As long as your witness swears to it, and nobody denies it—

Mr. BECKER. Bertelli is not my witness, and I believe his statement is partially untruthful. He is Mr. Hearst's witness.

Senator REED (reading):

I spoke of Bolo to Hearst, and the latter said to me, "If he is the proprietor of great French newspapers, I certainly shall be very glad to receive him," and he invited him to lunch the next day. During the meal, there was only discussion of superficial matters. Over the coffee, Bolo insisted that Hearst declare himself on the subject of France. His host replied to him that every American loved France and that that country needed no advocate; he added that he considered France as his second fatherland.

Nothing about that to indicate any disloyalty or pro-Germanism, is there?

Mr. BECKER. Mr. Bartelli's object was to show——

Senator REED. I am not asking you his object. I am asking about this testimony. You are always putting in objects and purposes that you get out of your head. I am asking if there is anything in this language to indicate it?

Mr. BECKER. Yes.

Senator REED. This language indicates that Hearst was pro-German and against the French?

Mr. BECKER. I must admit that Bertelli made out a good case for his master.

Senator REED. Was he in Hearst's employ at the time he made this statement?

Mr. BECKER. I think he still is.

Senator REED. Is he not in the Italian Army and has he not been for months?

Mr. BECKER. No; I do not think so. He appeared at the trial of Bolo. I doubt it very much.

Senator REED. Well, that is my information, but I may be in error. [Reading:]

In compliment to Mr. Hearst, Bolo gave a grand dinner at Sherry's. He consulted me on the choice of the guests, and thus it was that he had, besides Mr. and Mrs. Hearst and me, Mr. Balanda (Van Anda) editor-in-chief of the *New York Times*——

Mr. BECKER. I have read all this in evidence once.

Senator REED. Yes, you read it, but where did you get the authority for the statement that you made a little bit ago that Mr. Bertell brought over Bolo Pasha to this country, and that he did it at the instigation of Hearst? Where did you get the information for that? Out of this paper that I am reading?

Mr. BECKER. Just a little common sense. Let me tell you——

Senator REED. Did you get it out of this paper?

Mr. BECKER. Let me tell you, if you please.

Senator REED. I am not asking you to argue the case.

Mr. BECKER. He came over with Bolo on the same steamer.

Senator REED. Wait a minute.

Mr. BECKER. He introduced him to Hearst. He borrowed 11,000 francs from Bolo, and he went back to France on the same steamer.

Senator REED. Your idea is that he got 11,000 francs for introducing Bolo to Hearst?

Mr. BECKER. I do not know what it was for. I got his statement that it was a friendly loan.

Senator REED. If it took 11,000 francs to introduce him to Hearst, it does not look as though Hearst had already arranged in advance for the introduction, does it? Did you ever hear of such an absurd proposition, that a man would have an individual coming to Hearst by some prearrangement, and then have to give 11,000 francs for the man to introduce him?

Mr. BECKER. It sounds a little ridiculous.

Senator REED. Yes; it certainly does. I want all of this deposition to go in.

Senator OVERMAN. It is already in. Did you not put it all in?

Mr. BECKER. Yes; I think it has all been put in the record.

Senator OVERMAN. Do you want it to go in again, Senator Reed, here?

Senator REED. I do not want it to go in twice. I may be in error, and I am not going to stand on that at all.

Coming back to Bolo Pasha, now. Was Bolo Pasha received in many families in New York? Did he visit around a good deal? You have traced him.

Mr. BECKER. Very little.

Senator REED. What families did he visit there?

Mr. BECKER. That would be just scandal mongering to tell that. I know some of the people he came in contact with.

Senator REED. Tell us some of the people he came in contact with.

Mr. BECKER. There was a millinery shop on Fifth Avenue, Maison Buzenet, and there was a Capt. Piret, or something like that, of the French Army, who has gotten into trouble on account of this in France to some extent. It appears that he and Bolo and Pavenstedt used to foregather with some of the cloak models in the Maison Buzenet, and one of these girls afterwards became very closely allied with Mr. Pavenstedt. I examined her as a witness.

Senator REED. When I said scandal I did not mean that kind of scandal. I used the word "scandal" in the sense as you used the word the other day when you said it was scandalous to say that people had been associated with pro-Germans.

That particular kind of scandal I did not suppose even your office would investigate.

Mr. BECKER. It was important to investigate, because you sometimes get important information from that sort of people.

Senator REED. But were there not responsible people in New York that he met? Was he not invited out to dinner and places?

Mr. BECKER. I do not think so. All I have been able to trace is a friendly visit to Madame Barrientos, and then I have traced his telephone calls from the Plaza, etc., and it does not indicate a very wide social acceptance.

Senator REED. I do not mean that he became a social lion.

Mr. BECKER. He used to stay around in the Plaza Hotel with a group in the bar—a group of Orientals. I do not think it is necessary to name them; they are pretty well known men from Armenia, and such people; in the rug business, and that sort of thing; one art dealer on Fifth Avenue. They would stay around there and have drinks. At least it has been reported to me to that effect by the waiters.

Senator REED. These people that he was with were strongly anti-German, were they not—these Armenians? They hated Austria?

Mr. BECKER. I guess I will not discuss that now, if you will excuse me, because it is a subject that we have been very much interested in. It is under investigation.

Senator REED. The veil of mystery will be drawn there. All right.

Now, I want merely to take up a few dates. Bolo arrived in New York on February 23 and sent his card to Madame Barrientos the same day.

Mr. BECKER. He arrived on the 22d.

Senator REED. I thank you. He sent his card over to the Metropolitan Opera House, and a messenger was sent up to 62 Riverside Drive.

On February 23d he got in touch with Pavenstedt?

Mr. BECKER. Either the 22d or the 23d, but they had a long conference on the 23d.

Senator REED. And on the same date he wrote a letter to Mr. Grace, and in that letter which he wrote to Mr. Grace, Bolo Pasha, this alleged French spy, asked Mr. Grace to furnish the money to enable him to buy into the Journal?

Mr. BECKER. Well, that will do. It is not quite right. That is what it ultimately came to.

Senator REED. On February 24th Pavenstedt got over to Washington and registered at the Shoreham Hotel. That is correct?

Mr. BECKER. Yes.

Senator REED. Now, on February 26—by the way, I want to ask, now, when was the dinner at Sherry's?

Mr. BECKER. I do not know.

Senator REED. Could you not fix it?

Mr. BECKER. It was unquestionably toward the end of Bolo's stay, because the intention was, as explained by Pavenstedt, to pay off the social debts; that is, to pay off social debts to the Hearsts, because the Hearsts were the only people who had entertained Bolo while he was here.

Senator REED. Do you say that?

Mr. BECKER. As far as I have any proof; and that is correct. I think outside of Madame Barrientos, and the group that he hung around with in the Plaza. Outside of them I do not think he had met any of those people.

Senator REED. I am referring to the first dinner, and you say that was in the latter part——

Mr. BECKER. Of Bolo's stay.

Senator REED. Of Bolo's stay? All right. Thank you for that, sir. Anyway, that put the dinner out of this case as a conspiracy to get this German money.

Mr. BECKER. There was no conspiracy at that dinner.

Senator REED. On February 26, which was only four days after he arrived, Bernstorff wired to Berlin suggesting that the money be turned over.

Mr. BECKER. Yes.

Senator REED. That the payment be made?

Mr. BECKER. Yes.

Senator REED. That is February 26th. On that same date Bolo wrote Grace a second letter asking for an interview with him. did he not?

Mr. BECKER. I think you probably have it right there.

Senator REED. On February 28th, not having heard from Mr. Grace, Bolo telegraphed Grace and asked for an answer to his letters. That is right, is it not?

Mr. BECKER. I hope so.

Senator REED. Now, on February 29th Jagow wired Bernstorff to make the loan, so that within seven days after he had arrived in this country, the authority had been received from Germany to loan this large sum of money, \$1,600,000, to Bolo Pasha. That is correct, is it not?

Mr. BECKER. That authority was, you remember, somewhat qualified, and they had a little more correspondence after that.

Senator REED. It was qualified to some extent by saying that if it was to be used in Russia, then thus and so, and if this was to be used in Italy, then thus and so.

On the same day Bolo received a telegram from Grace fixing the 2d day of March as the time of meeting between him and Grace, and on March 2 Grace did meet Polo Pasha?

Mr. BECKER. Yes.

Senator REED. And at that meeting Bolo Pasha renewed the request for money from Mr. Grace, and Mr. Grace thought so well of the proposition of offering this man money that he took it under advisement with Mr. Schwab.

Mr. BECKER. No; you are wrong there.

Senator REED. On March 2 Bolo and Grace met at 111 Broadway, and arrangements were made to get in touch with Mr. Schwab. That is true, is it not?

Mr. BECKER. No; that is not quite the idea. Grace said that he felt pretty sure that nothing could be done. I have his deposition here, but I think I can state it from memory pretty well. Grace said he felt pretty sure that nothing could be done, but he would take it up with Mr. Schwab. The proposition was practically turned down on the 2d of March.

Senator REED. I take it that a letter was written in which he expressed regret that he could not do it. It is in the record. Those letters disclose the fact that there had been previous transactions between——

Mr. BECKER. Humbert.

Senator REED (continuing). Humbert, Bolo Pasha, and Mr. Grace. Mr. BECKER. Yes.

Senator REED. Or the company that Mr. Grace represented; and yet you do not for a moment challenge the loyalty of Mr. Grace or Mr. Schwab, do you?

Mr. BECKER. I am not interested in the subject at all.

Senator REED. You do not challenge it, do you?

Mr. BECKER. No.

Senator REED. All right. On March 3 or 4 Bernstorff conferred with Hugo Schmidt, of the Deutsche Bank, and on March 5 Bernstorff wired the Deutsche Bank to place 9,000,000 marks at the disposal of Schmidt, and on March 6 Schmidt wired the Deutsche Bank a cipher message to wire whether money had been placed, and Bolo wrote Amsinck & Co. that they would receive money and place the same to his account in the Royal Canadian Bank, so that this Bolo Pasha did get his money handled through the Royal Bank of Canada. He stood well enough to do that; he deceived people well enough to do that. That is true?

Mr. BECKER. I suppose so.

Senator REED. Do you challenge the loyalty of the Royal Bank of Canada?

Mr. BECKER. There is some ground for challenging the discretion of one individual in that bank.

Senator REED. We all may have a lack of discretion at times.

Mr. BECKER. If it will save time, I do not challenge the loyalty of the Royal Bank, or J. P. Morgan & Co. That carries it all the way through.

Senator REED. And the man who was actually agent for the handling of this money, which it was alleged was paid and accepted as a corruption fund, as the price of treason, which was to go to Bolo Pasha, and that was handled through the Royal Bank of Canada, could you give them a clean bill of health?

Mr. BECKER. All right, go ahead.

Senator REED. Then they transferred the money to Morgan & Co.

Mr. BECKER. The money was not stamped with anything that showed it was German, except in passing through Schmidt to G. Amsinck & Co. Then it bore the stamp, but after that it came off.

Senator REED. It was stamped Bolo Pasha all over it, was it not? That is to say, the account was in the name of Bolo Pasha?

Mr. BECKER. Yes.

Senator REED. And if Bolo Pasha was a known traitor, and a known scoundrel, then these banks had notice. If on the other hand he was not known as a traitor or a scoundrel, but imposed upon them, he was likely to impose upon anybody? That is true is it not?

Mr. BECKER. Yes.

Senator REED. Very well. Now, after that Morgan & Co. became the depository of this money.

Mr. BECKER. They also became the target of Mr. Hearst.

Senator REED. Very well. You were not asked that question.

Mr. BECKER. All right.

Senator REED. Could you resolve yourself into a witness for just a few minutes? I have not made them any target. Did Morgan & Co. become the recipient of this deposit, the fiscal agent in this transaction; and not only that, but Morgan & Co. received this sort of a letter

from Bolo Pasha, did they not, and is the letter not in the handwriting of Bolo Pasha? [Reading:]

Messrs. MORGAN & Co., *New York.*

Please find enclosed a letter from my friend, Senator Ch. Humbert, of Paris I shall be obliged to you if you will kindly inform me of what the amount is in dollars of this deposit that I am to make.

That letter was written from the Plaza Hotel to J. Pierpont Morgan's bank, was it not?

Mr. BECKER. On the Plaza Hotel stationery.

Senator REED. On the Plaza Hotel stationery, by Bolo Pasha to the Morgan bank. Did you run across that in your investigations?

Mr. BECKER. It is in the report.

Senator REED. And Morgan & Co. wrote back as follows:

BECKER EXHIBIT No. 32.

M. BOLO PASHA,

The Plaza Hotel, New York.

DEAR SIR: We are in receipt of your favor of the 4th instant enclosing letter from Senator Ch. Humbert, of Paris, contents of which we duly note.

The rate for Paris cheques on January 31 was about 5.88, at which the equivalent of Fcs. 1,000,000 is \$170,068.03.

These transactions continued, and this bank of Morgan—I do not care to put in all of this correspondence—acted as the agent, and finally we find this is true, do we not, that there was deposited to Bolo Pasha's account \$1,000,000 in a check with the Morgan bank. That is correct, is it not?

Mr. BECKER. You have the data before you. I do not carry it in my mind.

Senator REED. It conforms to your recollection, does it not?

Mr. BECKER. In a general way.

Senator REED. When did Pasha go back?

Mr. BECKER. The 17th of March. He came on Washington's Birthday and went away on St. Patrick's day. That is an easy way to remember it.

Senator REED. Thank you. On April 19 Morgan & Co. wrote Pasha care of Messrs. Morgan, Harjes & Co., and Morgan, Harjes & Co. is the Paris correspondent—

Mr. BECKER. The Paris house of Morgan & Co.

Senator REED. Of Morgan & Co.?

Mr. BECKER. Yes.

Senator REED. Located right in Paris, where they had a chance to find out about Bolo Pasha.

Mr. BECKER. No; they did not.

Senator REED. They had a better chance than a man living over in this country, did they not?

Mr. BECKER. I do not know. I think I found out before they did.

Senator REED. They wrote him as follows:

BECKER EXHIBIT No. 33.

PAUL BOLO PASHA,

APRIL 19, 1916.

Care of Messrs. Morgan, Harjes & Company.

DEAR SIR: We beg to advise you that on April 14, 1916, we received for the agency of the Royal Bank of Canada \$1,000,000 for your account.

In accordance with instructions received by cable from Messrs. Morgan, Harjes & Company, we have placed this to your credit in a special deposit account, and it will be payable to you six months from the day of its receipt, namely, October 14, 1916, and will bear interest at 2½ per cent per annum.

Very truly yours,

Per Pro, MORGAN & COMPANY.

I call your attention now to another cablegram under date of June 19, and I want to ask you if this cablegram was not found in the files, and was not initialed "J. P. M." in the handwriting of J. Pierpont Morgan, after a notation of interest on Bolo's account, which cable reads:

1942.

Bolo Pasha says: "Remit us cable his balance.

Although the original agreement was not kept, would be very pleased if you would allow some interest, possibly even two per cent, in view of connections of this client which are of great importance to us."

I want to ask you if that does not indicate that there had been previous relations between Bolo Pasha and the Morgan Bank?

Mr. BECKER. No; the previous relations were between Charles Humbert and the Morgan Co.

Senator REED. Very well; the man who is now accused of being the partner in treason of Bolo Pasha?

Mr. BECKER. Yes. We may have to acquit him, however, after your cross-examination.

Senator REED. Oh, I am not trying to acquit him unless he is innocent; but if he is innocent, I hope he will not suffer through any false testimony, and then I would like to see him acquitted.

Mr. BECKER. All right.

Senator REED. I suppose you meant to insinuate that I was trying to defend him?

Mr. BECKER. I never insinuate anything.

Senator REED. Oh, you do not? You haven't done anything since you—you are a born insinuation; a walking, breathing, living insinuation.

Senator OVERMAN. Oh, well, Senator Reed——

Senator REED. I would not make these remarks if you kept your witness inside the traces, but if he gets out he will take his medicine.

Mr. BECKER. It does not hurt me a bit. I feel just as happy as a ark.

Senator REED. If you had a letter like that written by Mr. Hearst in which he said, "Although original agreement was not kept, would be pleased if you would allow some interest, possibly even 2 per cent, in view of connections of this client which of great importance to us," you would have regarded it as very conclusive evidence against Mr. Hearst, would you not?

Mr. BECKER. The association of Pavenstedt with Bolo ought to have excited the suspicion of Americans. The association of Bernstorff with Bolo must have excited suspicion; and if you knew French politics at that time, an association of Bolo with Caillaux, which existed and was very close, should have been enough to arouse some suspicion.

Senator REED. Then why did not the branch of the Morgan house in Paris discover that fact, and why were they sitting there in Paris with the knowledge of that fact before them, continuing these relations?

Mr. BECKER. I think the important connection referred to there was none other than Caillaux. It may have been Humbert, but I think it probably was Caillaux, who was in power at that time very largely. He had great political power at that time.

Senator REED. If that was entirely innocent on the part of Morgan & Co., how would you have regarded it if it had happened that Mr. Hearst had sent a cablegram like that?

Mr. BECKER. I should be suspicious of almost anything that Mr. Hearst did, and that does not apply to Mr. Morgan.

Senator REED. That is what I thought. You would be suspicious of almost anything he did, and so comes your testimony to be read in that light.

Mr. BECKER. Yes; I am very suspicious of Hearst. I admit it. I think his record justifies it.

Senator REED. And he probably entertains an equally exalted opinion of you.

Mr. BECKER. Well, God bless him, he is welcome to it, and he will probably express it in his paper, and this is my only chance.

Senator REED. And you would not hesitate at all to get back at him in the newspaper, or to prepare against it when you were testifying under oath in an investigation?

Mr. BECKER. If anybody presents anything that in any way reflects on Hearst he must expect that the penalty is going to be some sort of an avalanche that is going to be deposited upon him. It is a case of what the French call *saute qui peut*,—let him save himself who can.

Senator REED. And you are now trying to enforce that maxim in your own behalf?

Mr. BECKER. Yes. I have not any use for Hearst, and I make no bones of that.

Senator REED. Now, Mr. Chairman, I want to come to the question, if the committee will indulge me, of what these affidavits amount to, if the committee will let me go into it now. If not, I shall have to reserve it, because it will take me an hour.

Senator OVERMAN. It is now half past one and after. Could the members of the committee be back here at half past two?

Senator WOLCOTT. I shall want to be in the Senate this afternoon.

Senator NELSON. I should like to be there.

Senator REED. It is all right if you bring the witness back here after the holidays.

Mr. BECKER. Oh, I can do that very comfortably. I love being cross examined. I do not see why the committee does not ask Mr. Hearst's own attorney to do it—he is here and he is a very skillful cross examiner—instead of this being done indirectly.

Senator REED. I think Mr. Hearst's attorney may possibly have a chance to investigate you some day.

Mr. BECKER. He has been at it now for over a year.

Senator REED. With a reasonable degree of skill; and I want to say now, before you rap this down, Mr. Chairman, that this gentleman has made these insinuations a good many times. I want to state now my reason for being here. I know Mr. Hearst merely as a newspaper man. I have no social relations with him, I have no personal relations with him, and I have no political relations with him except that generally speaking he has been supporting the party to which I belong. I have followed with a good deal of interest the line of investigation that has been pursued here, and I became convinced that

there was a deliberate and fixed purpose to try and fasten something akin to treason upon a man by what I believed to be scraps of testimony pieced together in a dishonest manner. That was my impression, whether right or wrong. I came in here and asked to cross-examine this gentleman, who I happened to know had put his information, this information, to political uses. I would do the same thing for the editor of the New York World, for the editor of the New York Times, or for a street shoveler. That is my interest, and any man who insinuates it goes further than that is a common scoundrel.

Senator OVERMAN. Oh, we will strike that out.

Senator REED. If the insinuation should hurt him, it goes.

Senator WOLCOTT. I do not think that ought to go out. This witness has undertaken to brand Senator Reed's purpose here as being actuated by something ulterior.

Senator OVERMAN. Strike that out of the record.

Senator REED. It will go in some record.

Mr. BECKER. I shall consent to have it go in the record. I am used to being blackguarded by anything that emanates from Hearst.

Senator OVERMAN. Very well, let it stay in.

Senator REED. I am saying that any man who makes that insinuation is a common scoundrel.

Mr. BECKER. So far as I am concerned, I am proud of any sort of abuse that emanates in any way from the Hearst crowd.

Senator REED. The Hearst crowd! All right. Here are your documents.

Senator OVERMAN. Do you insist on this question, Senator Reed?

Senator REED. Yes; I think I am entitled to it.

Senator OVERMAN. It is not competent, and we will rule it out.

Mr. BECKER. That is the question in respect to the disclosure of the names of the investigators?

Senator OVERMAN. Yes. The committee will stand adjourned subject to the call of the chairman, and I want to say that I shall call it together at some time after the holidays. Mr. Becker, I understand you will come back and subject yourself to the cross-examination of Senator Reed?

Mr. BECKER. Yes; and anybody else.

(Thereupon, at 1 o'clock and 40 minutes p. m., the subcommittee adjourned, subject to the call of the chairman.)

(The following statistics from the Census Office are here printed in the record, by direction of the chairman:)

STATISTICS CONCERNING THE REGISTRATION OF MALE GERMANS IN THE UNITED STATES. (EXCEPT IN ALASKA, HAWAII, AND PORTO RICO)

Registration of German Alien Enemies May 26, 1917.

The table below shows the total number of German male registrants in the United States, in the several States (arranged alphabetically), with corresponding percentages. In addition, it also shows the German-born male population of the United States in 1910 (arranged by States alphabetically) with corresponding percentages.

No figures for the German-born male population are given for Alaska, Hawaii and Porto Rico because the Census did not give the data. The German registration figures were obtained from the Department of Justice and are complete except for Alaska.

States.	Military department.	German male registrants.	German-born male population in 1910.	Per cent German male registrants.	Per cent German-born population in 1910.
United States.....		254,058	1,337,775	100.0	
Alabama.....	S. E.	447	2,183	.2	
Alaska (incomplete).....	W.	294		.1	
Arizona.....	S.	459	1,343	.2	
Arkansas.....	S. E.	932	3,491	.3	
California.....	W.	12,205	46,136	4.9	
Colorado.....	C.	1,277	10,071	.5	
Connecticut.....	N. E.	3,178	15,994	1.2	
Delaware.....	E.	256	1,349	.1	
District of Columbia.....	E.	89	2,743	.04	
Florida.....	S. E.	648	1,553	.2	
Georgia.....	S. E.	355	1,948	.1	
Hawaii.....	H.	207		.08	
Idaho.....	W.	594	3,271	.2	
Illinois.....	C.	20,811	167,083	8.3	
Indiana.....	C.	10,849	33,264	4.3	
Iowa.....	C.	5,964	54,633	2.4	
Kansas.....	C.	3,225	19,662	1.3	
Kentucky.....	C.	1,029	9,984	.4	
Louisiana.....	S. E.	1,021	4,697	.4	
Maine.....	N. E.	324	751	.1	
Maryland.....	E.	3,325	18,119	1.4	
Massachusetts.....	N. E.	3,836	15,714	1.5	
Michigan.....	C.	16,875	68,399	6.7	
Minnesota.....	C.	7,859	60,009	3.2	
Mississippi.....	S. E.	160	1,051	.07	
Missouri.....	C.	5,890	48,282	2.3	
Montana.....	W.	1,493	5,736	.0	
Nebraska.....	C.	7,167	32,239	2.8	
Nevada.....	W.	326	1,322	.1	
New Hampshire.....	N. E.	238	1,103	.09	
New Jersey.....	E.	16,226	63,969	6.4	
New Mexico.....	S.	233	1,134	.09	
New York.....	E.	50,467	225,175	19.8	
North Carolina.....	S. E.	139	664	.06	
North Dakota.....	C.	1,141	9,880	.4	
Ohio.....	C.	9,259	90,730	3.6	
Oklahoma.....	S.	778	6,180	.3	
Oregon.....	W.	2,227	11,258	.9	
Pennsylvania.....	E.	14,620	101,206	5.7	
Porto Rico.....	E.	75		.03	
Rhode Island.....	N. E.	412	2,289	.2	
South Carolina.....	S. E.	221	972	.09	
South Dakota.....	C.	1,814	12,621	.7	
Tennessee.....	S. E.	385	2,322	.1	
Texas.....	S.	6,290	24,964	2.5	
Utah.....	W.	725	2,198	.3	
Vermont.....	N. E.	122	444	.05	
Virginia.....	S. E.	473	2,586	.2	
Washington.....	W.	3,441	18,599	1.4	
West Virginia.....	C.	386	3,534	.1	
Wisconsin.....	C.	32,899	122,927	12.9	
Wyoming.....	W.	392	1,853	.1	

The following table is a rearrangement of the data in the preceding table. In this table the states are arranged in numerical sequence, according to percentage rank of the states in respect to German registrants and in respect to the German-born male population in 1910. One of the striking facts disclosed by this table is that New York State has nearly 20% of the total number of registrants and over 15% of the German-born males. Other states that have 1% percentages of registrants are Wisconsin, with 12.9%; Illinois, with 8.3%; Michigan with 6.7%; New Jersey, with 6.4%; and Pennsylvania, with 5.7%. The table also shows a close correlation between the percentage ranks of German registrants and German-born male population. A study of the table indicates, too, that only 19 of the states have more than 1% of the German registrants and German-born male population, and also, that only one Southern State—Texas—is included in this group.

Numerical order of States in respect to German registrants.			Numerical order of States in respect to German-born male population in 1910.		
	Military department.				
1. New York.....	E.....	19.8	1. New York.....	E.....	16.9
2. Wisconsin.....	C.....	12.9	2. Illinois.....	C.....	12.6
3. Illinois.....	C.....	8.3	3. Wisconsin.....	C.....	9.2
4. Michigan.....	C.....	6.7	4. Pennsylvania.....	E.....	7.6
5. New Jersey.....	E.....	6.4	5. Ohio.....	C.....	6.8
6. Pennsylvania.....	E.....	5.7	6. Michigan.....	C.....	5.1
7. California.....	W.....	4.9	7. New Jersey.....	E.....	4.8
8. Indiana.....	C.....	4.3	8. Minnesota.....	C.....	4.5
9. Ohio.....	C.....	3.6	9. Iowa.....	C.....	4.0
10. Minnesota.....	C.....	3.2	10. Missouri.....	C.....	3.6
11. Nebraska.....	C.....	2.8	11. California.....	W.....	3.4
12. Texas.....	S.....	2.5	12. Indiana.....	C.....	2.5
13. Iowa.....	C.....	2.4	13. Nebraska.....	C.....	2.4
14. Missouri.....	C.....	2.3	14. Texas.....	S.....	1.9
15. Massachusetts.....	N. E.....	1.5	15. Kansas.....	C.....	1.5
16. Washington.....	W.....	1.4	16. Washington.....	W.....	1.4
17. Maryland.....	E.....	1.4	17. Maryland.....	E.....	1.3
18. Kansas.....	C.....	1.3	18. Connecticut.....	N. E.....	1.2
19. Connecticut.....	N. E.....	1.2	19. Massachusetts.....	N. E.....	1.2
20. Oregon.....	W.....	0.9	20. South Dakota.....	C.....	0.9
21. South Dakota.....	C.....	0.7	21. Oregon.....	W.....	0.8
22. Montana.....	W.....	0.6	22. Colorado.....	C.....	0.7
23. Colorado.....	C.....	0.5	23. Kentucky.....	C.....	0.7
24. North Dakota.....	C.....	0.4	24. North Dakota.....	C.....	0.7
25. Kentucky.....	C.....	0.4	25. Oklahoma.....	S.....	0.5
26. Louisiana.....	S. E.....	0.4	26. Montana.....	W.....	0.4
27. Arkansas.....	S. E.....	0.3	27. Louisiana.....	S. E.....	0.3
28. Oklahoma.....	S.....	0.3	28. West Virginia.....	C.....	0.3
29. Utah.....	W.....	0.3	29. Arkansas.....	S. E.....	0.3
30. Florida.....	S. E.....	0.2	30. Idaho.....	W.....	0.2
31. Idaho.....	W.....	0.2	31. Dist. of Columbia.....	E.....	0.2
32. Virginia.....	S. E.....	0.2	32. Virginia.....	S. E.....	0.2
33. Arizona.....	S.....	0.2	33. Tennessee.....	S. E.....	0.2
34. Alabama.....	S. E.....	0.2	34. Rhode Island.....	N. E.....	0.2
35. Rhode Island.....	N. E.....	0.2	35. Utah.....	W.....	0.2
36. West Virginia.....	C.....	0.1	36. Alabama.....	S. E.....	0.2
37. Tennessee.....	S. E.....	0.1	37. Georgia.....	S. E.....	0.1
38. Georgia.....	S. E.....	0.1	38. Wyoming.....	W.....	0.1
39. Wyoming.....	W.....	0.1	39. Florida.....	S. E.....	0.1
40. Nevada.....	W.....	0.1	40. Delaware.....	E.....	0.1
41. Maine.....	N. E.....	0.1	41. Arizona.....	S.....	0.1
42. Alaska.....	W.....	0.1	42. Nevada.....	W.....	0.1
43. Delaware.....	E.....	0.1	43. New Mexico.....	S.....	0.08
44. New Hampshire.....	N. E.....	0.09	44. New Hampshire.....	N. E.....	0.07
45. New Mexico.....	S.....	0.09	45. Mississippi.....	S. E.....	0.07
46. South Carolina.....	S. E.....	0.09	46. South Carolina.....	S. E.....	0.06
47. Hawaii.....	H.....	0.08	47. Maine.....	N. E.....	0.05
48. Mississippi.....	S. E.....	0.07	48. North Carolina.....	S. E.....	0.04
49. North Carolina.....	S. E.....	0.06	49. Vermont.....	N. E.....	0.03
50. Vermont.....	N. E.....	0.05	50.		
51. District of Columbia.....	E.....	0.04	51.		
52. Porto Rico.....	E.....	0.03	52.		

(The following statement and letters were ordered inserted in the record:)

STATEMENT.

An Illustration of the Methods of the German-American Alliance in Trying to Control Public Opinion.

The German-American Alliance of Cincinnati organized in 1914 a Campaign Committee whose business it was to direct public opinion in the interest of Germany. The papers herewith illustrate one phase of its activity in Cincinnati. The University of Cincinnati is a public institution, similar to a state university, supported, however, by the city. When the President of the University, Dr. Charles William Dabney, made an address at Columbus, Ohio, on December 28, 1914, in which he denounced German imperialism and charged Germany with beginning the Great War, the German-American Alliance at its regular meeting on February 5, 1915, adopted resolutions demanding the removal of President Dabney and sent them, through its Campaign Committee, to the Mayor of the city and the Board of Directors of the University. See Exhibit A. 1. In these resolutions, the Alliance charged that President Dabney had made "false and misleading statements about a country whose descendants support the University of Cincinnati in a financial way, and also furnish a large percentage of the students."

The President of the University continued to be an object of interest to the German-American Alliance, whose members attacked him at every opportunity. Such an opportunity was furnished again, when, in March, 1916, President Dabney wrote a letter to his personal friend, Honorable J. Campbell Cantrill, of the House of Representatives, urging him "to stand by the President" in maintaining the American position in opposition to Germany. When Mr. Cantrill published this letter in an interview, the Alliance was so much offended that it addressed the Board of Directors again, demanding that the President of the University be made to "desist in the future from all similar agitatory acts or that, in case of non-compliance, he be compelled to do so by the proper authorities."—a typical German utterance. See Exhibit No. 2.

No action was taken on either of these communications.

Highly typical, too, of the German methods of thinking are the letters of Dr. K. L. Stoll of December 30, 1914, and Mr. Colon Schott of December 29, 1914 addressed to President Dabney. See Exhibits Nos. 3 and 4. It is to be noted that both of these gentlemen are American citizens.

Mr. Schott describes President Dabney's addresses of this period correctly when he says, "According to your speech you decide that Germany is the aggressor, the robber, the chief devil in this hellish war." He expresses a peculiar sinister German philosophy when he says that "this is undoubtedly a consummation of an age, a time, that the evils have become so great that a great war must be given in order that a new start can be made."

To one expression in these curious letters all loyal Americans might have agreed. Dr. Stoll concludes his communication with these words, "May God Almighty smite those who caused the untold suffering of this war, may he punish them and their offspring, may he cause to be ashamed all those who twist and distort truth for no other reasons but hatred or hope of personal advantage. Let us fight for 'right and honor!'" The Americans and their Allies did. And God has smitten the Germans.

CINCINNATI, O., February 27, 1915.

COPY OF RESOLUTIONS, Adapted at the regular meeting, February 5th, 1915

The German-American Alliance believes in liberty of speech; it believes that a man in public life as an individual may use his own judgment in all matters but it disapproves of an official who, as the head of one of our most important institutions, makes false and misleading statements about a country whose descendants support the University of Cincinnati in a financial way, and who furnish a large percentage of the students.

Dr. Dabney, as head of the University of Cincinnati, sent a letter abroad, in which the facts concerning the present war are not stated correctly, and which are misleading.

In consideration thereof the following resolutions were passed at a meeting of the German-American Alliance, held February 5th, 1915.

BE IT RESOLVED, That the Board of Trustees of the University of Cincinnati be requested to dispense with the services of Dr. Dabney as President of the University of Cincinnati at the expiration of his present term; be it further

RESOLVED, That these Resolutions be sent to the Mayor of the City of Cincinnati, and to Dr. Dabney, as well as to the Hon. Board of Trustees, so that they be spread upon our minutes.

Most respectfully,

CAMPAIGN COMMITTEE GERMAN-AMERICAN ALLIANCE

Dr. CHAS. W. DABNEY, *Pres.*,
University of Cincinnati.

Dear Sir: The "German-American Alliance of Cincinnati" does not desire to anyone the right of personal opinions and convictions and it is far from the desire to curtail the liberty of expressing such opinions and convictions either in speech or in writing, provided the dictates of propriety are not violated, nor public morals, and the welfare of the community jeopardized.

This latter occurs when a civic employee attempts to smuggle into public notice, under cover of private conversation or correspondence, opinions and convictions calculated to mislead the general public and to exert undue and pernicious pressure upon the common judgment.

It is to be deplored that the President of the University of Cincinnati, Dr. Chas. W. Dabney, has seen fit to express repeatedly and uncalled-for, his own

views in pretendedly private letters, in attempts to foist his dangerous notions, personal fallacies and national antipathies upon the community and to turn the tide of opinion to his own liking.

The "German-American Alliance of Cincinnati" considers such procedure a presumption, deserving of signal and severest condemnation, being attempted by one who is merely a public servant and as such subject and subservient to public control.

Hence, the "German-American Alliance of Cincinnati" demands most energetically at either Dr. Chas. W. Dabney desist in the future from similar agitatory acts, or that, in case of non-compliance, he be compelled to do so by the proper authorities.

Respectfully,

JOHN SCHWAAB,
President.

EMIL KRAMER,
H. G. BURGER,
Committee.

[Dr. K. L. Stoll, Vintonissa Building, W. Seventh St. Tel. Canal 986. Office hours 9 to 1; Sundays and afternoons by appointment.]

CINCINNATI, OHIO, December 30-14.

Dr. CHAS W. DABNEY,
President University of Cincinnati,
Cincinnati, O.

DEAR DOCTOR DABNEY: In your address "On higher Patriotism," delivered at the session of the Cosmopolitan Club in Columbus you ventilated your ideas with inference to the European war. Among other things you say:

- (1) The young *Servian* is fighting for the independence of his country
- (2) the *Austrian* for the extension of his land
- (3) the *Russian* hastening to the aid of his brother Slav.
- (4) the *German* battling to advance the fatherland,
- (5) the *Englishman* fighting for right and honor,
- (6) the *Frenchman* resisting the robber of his home,
- (7) the bravest of all, the *Belgian*, fighting the Teutonic colossus for his country's life.

I hope that you do not make these statements with the intention to discredit, slur and vilify the name of Germany and of her people. You know better than the average American what the Germans are, you know their love of peace. Your position has given you ample opportunity to get acquainted with German traits and the German character. You must have had many occasions to learn what aims and purposes prompt the Germans in their dealings at home and abroad. There is no atom of an inclination to conquest in their character or endeavors. They have used the decades of peace to build up their homes, develop their industry, their trade, arts and sciences. These factors were intended to be and actually constitute === the weapon of German "advance." Germany might have performed and accomplished still more had not jealous neighbors forced the Germans to have one hand on the hilt of their sword, ready to ward off foreign perfidy and insolence. These are facts acknowledged by everybody but a blindfolded minority.

How is it possible that you may give vent to such chaotic remarks? Why do you not take the time to study history and gain information which will raise you above the level of the man who repeats what he hears without first using his gray matter? Do you not teach your pupils to avoid "juarare a verba magistri"?

You know there are two kinds of knowledge: the one that can be acquired only by hard study = it has not obtained the grace of the average mortal. The other kind "falls from heaven into the lap of the shepherd and the old women," it is commonly cherished by the populace. The former kind is modest, the latter obtrusive. There lie the reasons for the negative success of the one and the positive success of the other. Ignorance and arrogance seem to be close cousins and are inmates of the human with a sluggish brain.

As for yourself: take the first chance offering itself for a correction of our statements mentioned above. Try to get familiar with the real causes of this terrible war and join me in this wish: may God Almighty smite those who caused the untold suffering of this war, may he punish them and their

offspring, may he cause to be ashamed all those who twist and distort for no other reasons but hatred or hope of personal advantage. Let us fight for "right and honor"!

Yours, very respectfully,

K. L. STOLL, M. D.

P. S.—I have given a copy of this letter to Mr. Otto J. Renner member of the Board of Directors of the University.

[Colon Schott, Attorney at Law, 809-816 Provident Bank Bldg., S. E. corner Seventh and Vine Sts. Telephone Canal 663.]

CINCINNATI, O., December 29, 1914.

CHAS. W. DABNEY, Esq.,

President Cincinnati University, City.

MY DEAR SIR: If the Commercial Tribune correctly reports your speech at Columbus, Ohio, on Monday evening last, I am not much surprised that you have encountered much opposition in Cincinnati, as the head of its University for the maintenance of which all the people of our city are heavily taxed. I respect fearlessness wherever it is properly tempered with truth, but it seems to me that one who stands at the head of the educational institutions of a community as you do, owes a special duty to his fellowman, in discussing a momentous question as the European War, to be scrupulously careful that his discussion shall be free from venom, and thoroughly dispassionate.

You offend grievously in your speech in this regard, you decide in your own way the purposes and motives actuating the various nations involved, and it does not matter, if in doing so you run counter to much of the best thought in this country. According to your speech you decide that Germany is the aggressor, the robber, the chief devil in this hellish war.

It is my belief that in a certain sense it is a special privilege to live in this world at this time. This is undoubtedly the consummation of an age, a time that the evils have become so great that a great war must be given in order that a new start can be made. This war is not an accident. It is an unavoidable consequence of the tremendous growth of the love of the world, the love of power and of self, and it seems to me that the President of a University should be busy in pointing these things out to the student mind, and not permit himself to be madly misled, just like common mortals.

Your tirade against the Germans and German sympathizers will not have the effect of changing their minds as to the responsibility for this war, but it will have the natural effect of somewhat lowering you in their esteem and make them feel that the best interests of our University would be subserved by permitting you to publicly advocate the claims of dear Albion as the defender of the right and honor of the universe, and relieve you from your present duties which must seem onerous and circumscribed to you.

Yours sincerely,

COLON SCHOTT,
A Taxpayer.

P. S.—I have this day transmitted a copy of this letter to the Board of Directors of the Cincinnati University.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, JANUARY 7, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to the call of the chairman, at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Wolcott, and Sterling.

Senator OVERMAN. The committee will come to order. Mr. Means, will you come to the stand? I believe that I will examine you this morning; I will let you make a statement.

Let it appear in the record that Mr. J. A. Arnold appeared according to summons and requested that his examination be postponed until Monday next. The same is true of I. M. Darden.

TESTIMONY OF MR. GASTON B. MEANS.

(The witness was sworn by the chairman.)

Senator OVERMAN. You have indicated to me that you desired to make a statement, your name having been mentioned in these proceedings, that you had some matters that you could state about German propaganda, and we will be glad if you will make any statement that you desire.

Mr. MEANS. If you will allow me, I will start out, in the beginning, with my first experience with the Germans, and how I happened to be associated with them.

When I left college—the University of North Carolina—in 1901, I became superintendent of the cotton mill graded schools at Albemarle, N. C., with Mr. J. W. Cannon, president of the mills, and a great many other cotton mills located in the South. I was superintendent of those schools for two years.

Then Mr. J. W. Cannon opened his own selling office; that is, selling the products of his own mills instead of selling through a commission house. He sent Mr. J. C. Leslie, one of his right-hand men in New York, in the South, and myself. That was in 1903.

Shortly, after being there 18 months or possibly 2 years, I started to writing for textile papers because of my experience in the cotton-mill industry and my knowledge of the growing of cotton. Some of these articles attracted the attention of Germans.

Senator NELSON. Of whom?

Mr. MEANS. Of Germans. A German came to me and made arrangements, in 1905—I was traveling then in all the large cities east of the Rocky Mountains—to report the trade conditions as I found them. I was coming constantly in contact with the buyers who went to Europe twice a year. They wanted definite information as to what these buyers had to say as to manufacturing conditions in England, Scotland, and Germany, particularly of hosiery and bleached goods. I interviewed these buyers, because I was coming directly in contact with them myself on domestic lines, that is, lines of merchandise manufactured in this country, and I would interview these buyers on conditions as they found them in Europe, whether deliveries could be made, construction of merchandise, requirements in the opinion of the buyers in this country—what consumers wanted.

Shortly after that, or some time after that, we opened an office in Chicago. I was made manager of that office and covered the Middle West cities. I continued these reports for the Germans. They wanted very accurate, definite information, when these buyers would come back, to find out from them——

Senator NELSON. They paid you for it, I suppose?

Mr. MEANS. Oh, yes; they were paying me for it.

Senator NELSON. Who paid you?

Mr. MEANS. A man named Swarz.

Senator STERLING. Was he the man who spoke to you first about the matter of making these reports?

Mr. MEANS. Yes; he was the man who spoke to me first.

Senator NELSON. Was he connected with the legation here?

Mr. MEANS. No. Well, the way I always understand it was that the German Government took enormous interest in the commercial welfare of its manufacturing plants; that is, the manufacturing plants located in Germany.

Now, these reports that I made may have been used for other purposes or they may not have been. They may have been reported to the German manufacturing plants.

I got married in 1913 and I wanted to stop traveling. In May or June, 1914——

Senator STERLING. Did you keep up this work all the time?

Mr. MEANS. Oh, yes; I kept it up continually. I made a report never less than once a week.

Senator NELSON. You made a report once a week?

Mr. MEANS. Yes; and sometimes more often than that, of conditions as I would find them. For instance, during the panic of 1907 and 1908 they were interested in that. They wanted to know about the financial standing of the firms that the large domestic manufacturers were selling—that is, their rating—whether they were willing to sell them or not, and what would be their limit of credit.

In the early part of 1903 they had an enormous fight on manufactured hosiery. Later the United States Government took that up in the tariff bill.

The Germans were squeezing out all other foreign lines of hosiery. There was no question about that. They were gradually pushing out every other line. They virtually had the business monopolized.

Senator NELSON. Pushing it out in this country?

Mr. MEANS. Yes; not the domestic manufactures, because they were making very little full-fashion stuff at that time; but they were pushing

ing out the English and Scotch and Irish; particularly the English and the Scotch.

Senator STERLING. With their own manufactured goods?

Mr. MEANS. Yes. They were finding out from the buyers about reinforced heels and the tops of hosiery and the technical terms of that kind. They were very much interested in that. There was a big fight on through the country in connection with mercerized damask; that is, cotton mercerized damask. The Germans had managed by a process to virtually make, I think generally conceded, the best line of mercerized damask there was in the country. They had devoted an enormous amount of time to developing this process of mercerization, and they would go further than that. They were perfectly willing, always, to have their line of merchandise subjected to any laundry test to show that they had not only the finish but also that the quality was there.

With the English line of damask, the English had a tendency to stick to the same old patterns. For instance, they would get a pattern of mistletoe or holly and they would continue on those old patterns for years and years, but the Germans would change around every 12 months and give the American woman—that is, the consumer—a different pattern. They catered to the American consumer, the women buyers, the mothers of homes, because they believed that they could be sold merchandise when they would see the patterns, even when they really did not need the piece of goods. They figured that if the women of America saw a new pattern coming out and the salesman could show it, even if the woman had linen in her home, she would make another purchase, especially on the high-priced stuff. I made those reports, as I say, straight along. At the same time I was writing for some American textile papers, and in 1914, or May or June, Mr. Swarz came to me and asked me whether I could devote all of my time to their interests. By way of parenthesis I might say that the Cannon line of mills are the largest in the South—one of the largest in the South—and now ranks right up at the top in the United States. Mr. Swarz, representing the Germans, came to me and asked me to devote all of my time to the work I was doing for them, or work of some nature, he did not say. I assumed at that time that that was what he meant. In January I had had an interview with Mr. J. W. Cannon, and I wanted to stop traveling so much, because I had been married in 1913. I made no effort to renew my contract. I had made a contract with Mr. Cannon, and I never worked for anybody except Mr. Cannon up to 1914. That is, my main work was with him. I did not make any effort to renew my contract with Mr. Cannon, and the three-year contract expired July 1, because I had made up my mind that if I could prevent traveling so much I would associate myself with that interest. I had no idea at that time what they had in mind. My services were discontinued with the Cannon mills on July 1, 1914. I was to go down to New York City with Mr. Swarz. They wrote me from the main office of the Cannon Mills and asked me to remain in the Chicago office until I could break in a young man named Reed. I did that. In August, 1914, I came to New York City. I was taken to the German Club and I met Capt. Boy-Ed for the first time.

Senator NELSON. What time was that?

Mr. MEANS. In August, I think, or the early part of September. I had been there some days.

Senator NELSON. After the war had begun?

Mr. MEANS. After the war had begun.

Senator STERLING. Who introduced you to Capt. Boy-Ed?

Mr. MEANS. Mr. Swarz. He had a great many other men, as it developed, at work in New York with him—that is, commercial men—who had been reporting in respect to different lines.

Senator NELSON. Do you speak German?

Mr. MEANS. No. They had a great many of these other men in New York City that had been associated with Mr. Swarz reporting on steel and every other commodity in the country, I suppose, men whom I met casually, and they would tell me the different things that they had been reporting on, covering the commercial end of the country.

Senator NELSON. What was the result of your interview? Did you enter into any agreement with them?

Mr. MEANS. No; I found out what he wanted. They were going to supply vessels—to put provisions, coal, etc., on vessels—to supply the German raiders. I listened very attentively to what they had to say.

Senator NELSON. They wanted you to help them in that?

Mr. MEANS. To help them in that. I listened attentively to what they had to say.

Senator STERLING. When you say “they” had to say, whom do you mean?

Mr. MEANS. Capt. Boy-Ed and Mr. Swarz, and four or five Germans up there in the German Club. Four or five interviewed me at different times, I listened to their proposition, and then I advised them that I was not interested.

Senator NELSON. State specifically what they wanted you to do.

Mr. MEANS. They wanted me to attend or help to attend to securing and getting of these supplies, supplies of every kind, the purchasing of them, and to furnishing the vessels that went out to the different German raiders. That was the prime object, that is what it was—supply of every nature that pertained to that, oil, food, coal, and I was to attend to the particular part that was assigned to me.

Senator NELSON. You did not enter into the employment?

Mr. MEANS. No; I listened very attentively in three or four different interviews on the subject, and advised them that I was not interested. I measured it very carefully. I saw that it was a breach of the United States Government laws, and I advised them that I was not interested in a proposition of that kind, and they wanted to know why and I told them very frankly, simply because it was a breach of the United States Government laws. Then they discussed the ethical side of it, whether it was wrong for Boy-Ed or the Germans to do it, and cited the instance to me about what Dewey did in China, that his vessels were supplied from there, etc., and the conversation ended up on that proposition by my saying that if the German Government ordered Boy-Ed to do it, he was a subordinate officer and he should do it, if he wanted to, but I would not have anything to do with that.

Senator STERLING. What particular commodity did they want you to supply?

Mr. MEANS. They did not go into details. They would have assigned me to some particular commodity later.

Senator OVERMAN. Just come down to what you did do when you were employed, and what you were employed to do.

Mr. MEANS. That was the last I saw of the Germans. I wanted to show you this consecutively, and how it was when I did go with the Germans finally. Then I went to Hyde & Sons, a big dry goods converting firm, because I was familiar with that kind of business, and I started to make connections with them, but I did not, but I had already had something in my mind. In my experience I found out that with firms that had gone into bankruptcy, in a great many instances there were hidden assets, that the bankrupt firm did not disclose. With that idea in view, in November, I think it was, I went to Mr. W. J. Burns and outlined this plan to him. For instance, I was not coming in contact with the Germans at all, except casually with some of them I would meet on the street, and they would say how do you do and I would say how do you do to them, but I did not come in contact with any of them for quite a while, and I put this proposition up to Mr. Burns, and we spent quite a good deal of money outlining it.

Senator NELSON. What proposition?

Mr. MEANS. Organizing a department to look after hidden assets of firms that had gone into bankruptcy.

Senator NELSON. To buy the bankrupt goods?

Mr. MEANS. No; firms that had gone into bankruptcy, where they owed cotton mills, where they would go into bankruptcy intentionally and have hidden assets.

Senator NELSON. What was the outcome of that?

Mr. MEANS. The outcome of that was that the plan is still being worked out now. We organized what we called a commercial department in Mr. Burns's office. I was made manager. In the late fall of 1914, or the early spring of 1915, in coming in contact with some of these Germans I had learned they were organized—that was purely in a friendly way, some of these men I had met with Mr. Swarz—and they were constantly bragging about how they were going to win the war, every time one of them would come in contact with you, and one of them told me about their plan to go up into Canada and blow up some of the railroads and destroy the canals.

Senator STERLING. You say one of them told you. Who?

Mr. MEANS. I think that was Swarz himself. That was just a casual conversation. You would pass them on the street and they would stop and talk to you.

I went at once with this piece of information to the Dodsworths.

Senator NELSON. To whom?

Mr. MEANS. To Dodsworth Bros., editors of the Journal of Commerce and Commercial Bulletin, whom I knew, and advised them what I understood the Germans were going to do.

Senator WOLCOTT. Where were they located?

Mr. MEANS. On Broadway; 42 Broadway. They are the editors or owners of the Journal of Commerce and Commercial Bulletin.

Senator OVERMAN. Give their names.

Mr. MEANS. The Dodsworths.

Senator OVERMAN. Which Dodsworths?

Mr. MEANS. The two brothers there. There are three or four others. I talked to the man who attends to the commercial end of it and the editorial writers.

Senator NELSON. What further use did they make of the information?

Mr. MEANS. They reported that.

Senator NELSON. To whom?

Mr. MEANS. They reported that to the president of the Canadian Pacific Railroad, I think. I then told Mr. W. J. Burns the details of what——

Senator NELSON. Was he the detective?

Mr. MEANS. He is the detective. He immediately called up the head detective of the Canadian Pacific Railroad. I was present there when he called him up, and got into communication with him. What happened afterwards I do not know, with the detective of the Canadian Pacific Railroad, but I heard him when he called him up right after I reported it to Mr. Burns.

I saw nothing further of the Germans, heard nothing definite about them at all, or anybody connected with the Germans, until later in the spring of 1915, when Dr. Rumely came into Mr. Burns's office and had an interview with him. Mr. Burns sent for me, and just as they were going out of the door, out of Mr. Burns's private office, he introduced me to Dr. Rumely, and he told me that Dr. Rumely had heard or believed that at the Fore River Shipbuilding Yards submarines were being made for one of the belligerent nations, and that certain German-Americans had raised funds for the purpose of investigating and ascertaining whether that was a fact.

Senator NELSON. That is what Dr. Rumely told you?

Mr. MEANS. No; that is what Mr. Burns told me.

Senator NELSON. That is what Mr. Burns told you?

Mr. MEANS. Yes.

Senator STERLING. Did he tell you that in Dr. Rumely's presence?

Mr. MEANS. Yes; he told me that in Dr. Rumely's presence. He said: "Now, I have explained to Dr. Rumely that I am strongly proally; that I am guarding some plants now that are making munitions," and explained to me further that this fund was raised by German-Americans. He said: "Even knowing my feelings about it, he wants me to make this investigation."

Senator NELSON. He wanted you to do it?

Mr. MEANS. No; he wanted Mr. Burns to do it. And he said. "We will make the investigation."

Senator NELSON. Who wanted Burns to make the investigation?

Mr. MEANS. Dr. Rumely.

Senator NELSON. Dr. Rumely?

Mr. MEANS. Dr. Rumely. That is the first time I met Dr. Rumely. Mr. Burns explained that to him very carefully. So we started out to make this investigation.

Senator OVERMAN. Did Burns employ you to make it?

Mr. MEANS. I was with Mr. Burns—employed by him—then.

Senator STERLING. How long were you associated with him?

Mr. MEANS. In the fall of 1914 I had begun with him in this commercial department and had been doing other commercial work for

him. attending to collections, and so forth, in his own private business, investigating firms that people would send inquiries in about, as to their financial standing, and so on.

Senator NELSON. You were an employee then of the Burns bureau?

Mr. MEANS. Of the Burns Detective Agency, yes; and manager of the commercial bureau.

So Mr. Burns said that he would make that investigation. In the meantime——

Senator NELSON. What was Dr. Rumely's interest in it? Could you make out what Dr. Rumely's interest in it was?

Mr. MEANS. I will come to that shortly, Senator.

Senator NELSON. All right.

Mr. MEANS. Dr. Rumely said very carefully there in my presence that this fund was German-American money that was raised by German-American citizens. That was his statement on that end of the business.

Previous to this Mr. Burns had been offered work by the German Government and had promptly declined it and said he would have nothing to do with it, nor would he have anything to do with any of the work for any of the nations at war, because he was going to follow the President's instructions in spirit and letter and complete detail; that he was going to observe absolute neutrality, when this proposition was offered to him for some direct German Government work.

Mr. Bielaski, when he was on the stand the other day, was mistaken when he said that Dr. Rumely had given \$3,000 for the investigation as to the supplying of English cruisers. Dr. Rumely had nothing to do with that investigation at all.

Senator NELSON. How do you know?

Mr. MEANS. Because I saw Dr. Rumely every day, and I know all about the supplying of English cruisers. I investigated that, too. I was at the head of it and handled it. I know who he was reporting to.

Well, we completed this investigation of the Fore River Shipbuilding Co. and we ascertained that they were not building any submarines there to be sent to any of the belligerent nations. That was our final and definite report on that matter.

In the meantime the Hamburg-American Line, old and regular clients of the W. J. Burns Detective Agency, had employed Mr. Burns to ascertain whether the English cruisers hovering off of the Atlantic coast—that is, along Jersey and Massachusetts and all up and down the Atlantic coast—were getting supplied from the United States.

The Hamburg-American Line had learned that a tugboat, in attempting to supply these English cruisers, had had these what they call in shipping circles green groceries flooded; a wave had dashed up and flooded them in the low-cut boat. Some report had reached the Germans to that effect.

From that they formed the opinion that the English cruisers were being supplied from the United States.

To ascertain whether that was a fact, we opened headquarters at the Eastland Hotel. I was living at the Manhattan Hotel, at that time, and we opened these headquarters at the Eastland Hotel, to

interview tugboat captains, and to ascertain whether the English cruisers were being supplied from the United States.

Senator STERLING. The Burns Detective Agency, then, were employed for that purpose by the Hamburg-American Line?

Mr. MEANS. By the Hamburg-American Line; Mr. Meyer employed them. The Hamburg-American Line did the employing.

Senator NELSON. They were really at work, then, for the Germans—the Burns agency—and furnishing them information?

Mr. MEANS. No; the Burns agency was not at work for the German Government.

Senator NELSON. You men who were looking into this matter were?

Mr. MEANS. No; the employees were not; because Mr. Burns had declined to accept any work from the German Government.

Senator NELSON. But the Hamburg-American Line is a quasi-Government institution?

Mr. MEANS. The Hamburg-American Line had been clients of Mr. Burns——

Senator NELSON. Oh, yes.

Mr. MEANS. For years.

Senator NELSON. Yes.

Mr. MEANS. And guarding their different piers, and so forth.

Senator NELSON. Yes; but that did not alter the situation. The Hamburg-American Line is a quasi-Government institution.

Mr. MEANS. I do not know the details of that end of it; but I do know that the Hamburg-American Line had been clients of the Burns agency. Mr. Bielaski is mistaken, again, when he says that I posed then as a Canadian. I was registered at the Manhattan Hotel under my own name, G. B. Means, from Chicago. The register will show that. And not at any time did I pose as a Canadian—a rich Canadian, or any other kind of a Canadian.

We made this investigation——

Senator NELSON. Did you not know that you were operating for Germans in that matter?

Mr. MEANS. No, sir.

Senator NELSON. You had no idea of that?

Mr. MEANS. No, sir.

Senator NELSON. You did not have a suspicion that the Hamburg-American Line was a German line?

Mr. MEANS. Did I have a suspicion that the Hamburg-American Line was a German line?

Senator NELSON. Yes.

Mr. MEANS. I knew that it was running backward and forward to Germany, but I knew that the New York office there was an American crowd.

Senator NELSON. And it did not dawn upon you that that information that they sought was really in the interest of the German Government; that they wanted to know whether English ships were supplied from this country? That did not dawn upon you that that work for the German Government, did it?

Mr. MEANS. No; not that particular feature. What did dawn upon me was that Germans in this country wanted to know whether that was true.

Senator NELSON. Yes; but did you not know that that information was what the German Government wanted?

Mr. MEANS. I suppose the German Government was very much interested in it.

Senator NELSON. Yes.

Mr. MEANS. They were interested in a great many things——

Senator NELSON. So that you really could not help knowing that you were working for the German Government indirectly?

Mr. MEANS. Oh, yes; because I knew that Mr. Burns had declined to work for the German Government.

Senator NELSON. Oh, well, do not get behind Burns' coat tails.

Mr. MEANS. I knew that Mr. Burns would continue to work for one of his old clients, like the Hamburg-American Line.

Senator NELSON. Do not get behind his coat tails. Go on.

Mr. MEANS. All right, sir.

We made this investigation, and we got some captains of tugboats who made affidavit that they had supplied the English cruisers. With these affidavits in my hands I went out and proved, at once, that this was not true; that they could not have supplied the English cruisers on the days that they stated, because they were located at different places around the water front of New York City. We discovered positively that that was not a fact; that none of the tugboat captains with whom we could come in contact had supplied any of the English cruisers.

Senator OVERMAN. Were you ever in the employment of the German Government?

Mr. MEANS. Yes; later.

Senator NELSON. Were you acquainted with Paul Koenig?

Mr. MEANS. I met him one time. I saw him one time.

Senator NELSON. When and where?

Mr. MEANS. I saw him on Broadway.

Senator NELSON. When?

Mr. MEANS. In the spring or summer of 1915.

Senator NELSON. What took place between you?

Mr. MEANS. I was introduced to him, and passed on. I talked to him for probably a moment.

Senator NELSON. And that was all?

Mr. MEANS. That was all.

Senator NELSON. That is the whole extent of your acquaintance with him?

Mr. MEANS. That is the whole extent of my acquaintance with Paul Koenig.

Senator NELSON. Or your dealings with him?

Mr. MEANS. Absolutely. That was the only conversation I had with him. I may have seen him one time after that. He was connected with the Hamburg-American Line.

Senator NELSON. Yes.

Mr. MEANS. I reported to him, or he was there one time when I made a report to him. I wrote him a letter, or something, one time. I remember that. I am very sure that is correct.

Senator NELSON. Was he not the go-between between you and the Hamburg-American Line?

Mr. MEANS. No, sir; that was Mr. Meyer, if there was any go-between. There was not any go-between at all. I just walked down to his office——

Senator NELSON. To Koenig's office?

Mr. MEANS. No; Mr. Meyer's office.

Senator NELSON. To Mr. Meyer's office?

Mr. MEANS. Yes.

Senator NELSON. Who is Meyer?

Mr. MEANS. He is one of the officials of the Hamburg-American Line.

Senator STERLING. As to those affidavits which you say were made, were they made by captains of tugboats?

Mr. MEANS. They were made by captains of tugboats.

Senator STERLING. And they were to the effect that they had supplied the British cruisers?

Senator NELSON. No.

Mr. MEANS. Yes; that they had supplied the British cruisers.

Senator NELSON. Did your investigation show that those affidavits were false?

Mr. MEANS. Yes.

Senator NELSON. Now, what did you find out in regard to who had procured the making of those affidavits?

Mr. MEANS. Some of our own men. These captains made these affidavits themselves, to some of our own men—to some of Mr. Burns's own men.

Senator NELSON. Burns's men had procured those fraudulent affidavits?

Mr. MEANS. Not intentionally at all, Senator, but——

Senator NELSON. I am not talking about their intention; never mind about that. But some of Burns's men had procured those affidavits?

Mr. MEANS. These captains had come in, into the Eastland Hotel, and made these affidavits that they had supplied.

Senator NELSON. And they had made them at the instance of some of Burns's employees?

Mr. MEANS. Not at their instance at all. We let the report generally go out on the water front.

Senator NELSON. The Burns's men were casually there, then, and——

Mr. MEANS. Oh, no.

Senator NELSON. And saw them make those affidavits? Was that all there was to it?

Mr. MEANS. No; they were there conducting the investigation, just like we would conduct any other investigation.

Senator NELSON. Were they not there to get those affidavits?

Mr. MEANS. They were not there to get those affidavits. They were there to get the facts. If a man made a statement, we would continue to make the investigation as to whether the man's statement was the truth.

Senator NELSON. And write out the affidavits?

Mr. MEANS. Yes; and write out the affidavits, and then we did not know when the captain came in whether he was telling the truth or not, and so we would investigate to ascertain whether or not the captain had told the truth or not.

Senator NELSON. Yes; afterwards.

Mr. MEANS. Immediately afterwards.

Senator NELSON. You would first get the poor fellows to swear to affidavits, and then afterwards look them up to see whether they were true or not? Was that the *modus operandi*?

Mr. MEANS. We got nobody—forced nobody to do it. The captains came in voluntarily. We had another captain of a tugboat that brought these men in. We first met him and he said that he thought such and such captains had taken supplies out there.

As a matter of fact, some of the captains that did make affidavits had thrown over to some of these cruisers newspapers or something of that kind—to an English cruiser—when they were passing.

Senator STERLING. Who or what prompted these captains to make these false affidavits, to begin with?

Mr. MEANS. Because they were under the impression that they were going to get an opportunity to supply these English cruisers. What we were trying to do was to ascertain the facts; and we discovered that they had not supplied the English cruisers, nor could we discover any instance where any tugboat had.

Senator STERLING. Do you mean to say that they thought that by making the affidavit that they had supplied, they would get the business of supplying them again; was that the idea?

Mr. MEANS. That was the idea; that they were going to be——

Senator NELSON. Was that held out to him by the Burns representatives—that encouragement—that if they would make those affidavits they might get more business?

Mr. MEANS. Oh, no; not in that sense at all.

Senator NELSON. In what sense, then?

Mr. MEANS. In this sense. We let it be generally known——

Senator NELSON. Who do you mean by “we”? Who are “we”?

Mr. MEANS. The complete force that was working for Mr. Burns.

Senator NELSON. Oh, yes.

Mr. MEANS. At the Eastland Hotel. We had eight or ten men there, and put one on for one day and one on for another day.

Senator NELSON. What did you let them know before the poor fellows swore?

Mr. MEANS. That what we wanted to do was to supply these vessels, and if anybody had supplied them, we wanted to ascertain the facts.

Senator NELSON. Who did you want to supply the affidavits for?

Mr. MEANS. Who did we want to supply the affidavits for?

Senator NELSON. Yes. You were trying to get affidavits. You intended to give those affidavits to somebody, did you not?

Mr. MEANS. If the affidavits were true, we would give them to the Hamburg-American line.

Senator NELSON. Then your *modus operandi* was, first, to get these affidavits to give to the Hamburg-American line, and then to follow it up and prove that the affidavits, as shown by your investigation, were false, and give that information to the Hamburg-American line?

Mr. MEANS. First to get the affidavits, and find out whether anybody had supplied the vessels, or there were rumors to that effect, and investigate and ascertain whether that was a true fact.

Senator NELSON. Yes.

Mr. MEANS. That they had. We would get in touch with one captain who would come in and say that he understood that Capt.

Blank—Capt. John, or Capt. Jones—had carried supplies out there. Then we would ask Jones whether he had, and he would say that he had, in some instances. Some of them would say that they had not. He would make an affidavit to that effect. We would then go out and ascertain whether that affidavit was true. We ascertained that every affidavit that those captains made was not true, and we so reported it. And Mr. W. J. Burns advised the Hamburg-American line that he believed that they were liars; that there was no such condition prevailing.

Senator WOLCOTT. That the captains were liars.

Mr. MEANS. That he believed that the German crowd were lying.

Senator WOLCOTT. Let me understand this. Let me see if I have caught this story correctly.

The primary thing you were after was to ascertain whether or not tug boats were supplying the British cruisers?

Mr. MEANS. Exactly; to ascertain the exact facts.

Senator WOLCOTT. Yes; and you approached the investigation of that question in this manner: You opened up a force with headquarters at the Eastland Hotel—along the water front I take that to be?

Mr. MEANS. That is correct; right down at the Battery, Senator.

Senator WOLCOTT. Your problem was to get at the people who probably were supplying the British cruisers?

Mr. MEANS. Exactly.

Senator WOLCOTT. So that you threw out the news that you people were interested in supplying British cruisers?

Mr. MEANS. Exactly.

Senator WOLCOTT. And you wanted to get in touch with tugboat captains who had supplied the British cruisers in order that you might do business with them to supply them for you?

Mr. MEANS. Exactly.

Senator WOLCOTT. That was a ruse, in other words, to draw them in?

Mr. MEANS. Exactly; and it was——

Senator WOLCOTT. Wait a minute and let me see if I have this correctly. That was a ruse that you threw out to bait these fellows in?

Mr. MEANS. Exactly.

Senator WOLCOTT. Then some of them came in and said they had supplied the cruisers?

Mr. MEANS. Yes, Senator.

Senator WOLCOTT. For the purpose of getting this business from your people to supply cruisers?

Mr. MEANS. Yes, sir.

Senator WOLCOTT. And you asked them to make affidavits that they had supplied the cruisers?

Mr. MEANS. Yes; we asked them to make affidavit as to what they had done.

Senator WOLCOTT. And then you proceeded to investigate as to whether they actually had supplied the cruisers?

Mr. MEANS. Exactly.

Senator WOLCOTT. And your further investigation showed that none of them had supplied the cruisers?

Mr. MEANS. That is it.

Senator WOLCOTT. And you reported those facts to the Hamburg-American Line?

Mr. MEANS. We reported those facts to the Hamburg-American Line, and then Mr. W. J. Burns notified them that he believed that whoever was furnishing them with that information was deliberately lying.

Senator STERLING. Did you suspect that these affidavits were false at the time they were being made?

Mr. MEANS. Not at all, Senator; not until we had investigated and ascertained the facts.

Senator STERLING. How did you ascertain the facts, in brief?

Mr. MEANS. By finding out—by tracing these tugboats. The captain would not only make the affidavit that he himself was in charge, but he would further name his tugboat.

Now, then, we would get in touch with the different crews and ascertain by investigation where this particular tugboat was on such and such a day, and what it was doing. It might have been hauling something else. We would find them away up at the Bronx River sometimes, in an entirely different locality. And we would get other reports following right behind those with the Hamburg-American Line showing that the captains had made false affidavits and that it was not true; and Mr. Burns himself then got in touch with the Hamburg-American Line officials and told some of them that they were deliberately being lied to, and that there was no foundation in fact for the statement that the English cruisers were being supplied from here, because, in addition to that, we found out that the English cruisers were being supplied from Nova Scotia and the Bermuda Islands.

We went further than that to show where they were being supplied from, and Mr. Burns so stated to them. Now, after this investigation was complete, or just before it was complete, Mr. Lamb, of the legal department of the neutrality squad of the customhouse in New York City—wait a minute. This ruse, etc., that we were working down there blew up on April 1. We ascertained the fact that there was no such condition prevailing. There was lots in the papers about it at that time. Mr.—what is his name, the collector of the port at that time—Senator O'Gorman's son-in-law?

Maj. HUMES. Mr. Malone?

Mr. MEANS. Malone. Mr. Malone really thought that we were going to supply these English cruisers, that that was our intention, so he was really watching this place, what we call a blind, and he kept his eye on it constantly. On April 1 the whole thing came out, what we were driving at. Mr. Lamb, of the legal department of the customhouse, and who really, I understood, was in charge of the neutrality squad down there, came to Mr. Burns's office and asked for the details of it. We promptly turned over to Mr. Lamb all of the details. I went to the files and got them out myself, the complete files of the entire report covering the entire investigation, giving him every detail of it. That was available for Mr. Bielaski. The United States Government had it. Dr. Rumely did not pay for that investigation. The Hamburg-American Line paid for the investigation. Not at that time was any of that work done for the German Government,

because Mr. Burns had said and let them understand that he would not work for any Government, and he did not, so far as I know, until I left him.

Senator WOLCOTT. You are not with him now?

Mr. MEANS. No.

Senator OVERMAN. When did you leave him?

Mr. MEANS. I will come to that in a minute; when I went with the Germans, then. I understood from the Germans after that, from Capt. Boy-Ed, that the French prime minister, they believed, and understood, was having these submarines built at the Fore River Shipbuilding Yards. Of course that was in 1915, before we got into the war. While I was working with Mr. Burns in the spring of 1915 I had leave of absence at one time, maybe oftener than that. Dr. Rumely saw me and asked me to attend to a personal matter for Capt. Boy-Ed, which I did. That was in connection with a fight they had up there, two Germans, about a woman. Part of the details were in the newspaper at the time. I attended to that for him personally, and interviewed one or two people, and I will give you the name of the lawyer that I employed if you desire it. He is an absolutely loyal American. I employed him for Capt. Boy-Ed, and there is no use of giving his name to the public unless it is necessary, but I will give it to the committee if you want it. It was purely a personal matter with Capt. Boy-Ed. After I left Mr. Burns, or during one of these leaves of absence——

Senator NELSON. Did you leave his employ?

Mr. MEANS. I got away to attend to three or four personal matters at different times, out in Chicago, etc.

Senator NELSON. Oh, on temporary leave?

Mr. MEANS. Yes. During one of these temporary leaves of absence I met some of the Germans, these men, who were more or less of a commercial crowd. I had come in contact with lots of them on the streets—the city of New York was full of them—and I learned about Gen. Blanchard and the Huerta plot. I got the entire details of this from the Germans. I told Mr. Burns at any time that I heard of anything detrimental to the United States I would report it promptly. I heard all the details of the Huerta plot, what he intended to do in this country, and about Gen Blanchard coming on here from Barcelona, Spain, and with whom Huerta was making his connections in the United States in New York City. As soon as I gave Mr. Burns a verbal report of that he asked me to write out a complete written report, with the Mexicans involved, and the Germans involved. I sat down and wrote out a five-page or a six-page report, giving the names, the addresses, the plans, the events, and every detail of what Huerta was going to do. When I handed Mr. Burns that report he called up Mr. Tumulty, the President's secretary, here in Washington, and told him to meet him in Philadelphia. Mr. Tumulty did meet Mr. Burns in Philadelphia, and Mr. Burns did read that report to him, giving him the entire details. Huerta did do exactly what I said he was going to do in that report. He did go to the Mexican border. And when Mr. Bielaski questions my loyalty I want to say I had some reason for not reporting it to him direct or furnishing him with any information, and that was part of his animosity toward me, because I did not

show that to him, a man that I knew was—well, I shall come to that a little bit later. Mr. Tumulty will not deny that, nor will Mr. Burns deny it. That report was afterwards read in the open court at my trial in North Carolina. Beside gaining this information about Huerta and Blanchard, I also discovered that Capt. von Papen, through what is virtually the clearing house of the insurance companies in this country, had gotten all of the data together. The German insurance companies are the great reinsurers in the United States. The information was available to them through the clearance house of the insurance companies, of every man who has made application for insurance, every man that was carrying life insurance and every man that was carrying accident insurance. Those applications, whether they really had gotten out any insurance or not, whether they were carrying insurance or not, showed whether they were Germans, and if so, where they were educated in Germany, what their business was, whether they were chemists, whether they were machinists, and exactly what their occupation was. Capt. von Papen got all of that data together. I understood from some Germans what he was going to do with that data, that he was selecting from it certain chemists and certain expert machinists, and men of the socialistic tendency who would be prone to blow up a place or do anything of that kind. I went to A. W. Haywood, a lawyer for the Liggett tobacco people, with whom I was in college, and I told him that this was confidential information. I said that there was no question but what that was what Capt. von Papen was going to do with this—that he was going to organize these men. Haywood said, “I will tell you what to do. I would get in touch with Secretary of the Navy Daniels—he is from our State and you know him—and I would outline to him where they are getting this information and that they are organizing in the United States, and that from this data they are selecting the Germans they want.”

I got on the train and I came to Washington, and I went into the Navy Department and I saw Secretary of the Navy Mr. Joseph Daniels, and I told him exactly what they were going to do. Mr. Daniels the next day called up L. D. Hartsel, a lawyer in my town, and asked him whether he thought Means knew what he was talking about. Mr. Hartsel phoned back to him, and he said that he was pretty apt to know if he said so. In that conversation with Mr. Daniels—well, Mr. Daniels said that they would find out further, and Mr. Daniels knows what he advised me at that time. I furnished him the information. One of the questions Mr. Daniels asked me was whether I believed they were organizing to attack the United States. I said they were not organizing to attack the United States. They would not attempt to do anything of that kind, but I said that they were not organizing for any friendly purpose to the United States. In this work of this kind that I had done for the Germans I had come in contact with a great many of them, and they would see me, and they were willing to tell me—to make intimations of one kind and another, and I would talk further to another one to get up additional data as to what their intentions were, and each and every time that I found anything that was really detrimental, specifically, and definite, as on the two times I have mentioned to you, I reported

it promptly and properly and to the best place in the world, instead of to Mr. Bielaski or to the Department of Justice.

Maj. HUMES. What was the date of this report—this particular matter that you are now referring to?

Mr. MEANS. Which matter?

Maj. HUMES. Reporting to the Secretary of the Navy about the insurance matter.

Mr. MEANS. If you will make Mr. Bielaski turn over to me my files which they stole out of my apartment, I will tell you by reference to my diary.

Maj. HUMES. Can you not tell me approximately the date? Was it while you were working for Boy-Ed or before?

Mr. MEANS. It may have been a little before or a little afterwards: I do not know definitely about that. I do not remember the exact date. Further down in my memoranda I may be able to recall that.

Senator NELSON. Were you not afraid of Bielaski, that he was on your track, that you were working for the Germans?

Mr. MEANS. God has not yet made the man that I am afraid of. I do not come from that stock. I am not afraid of anybody.

Senator NELSON. We are not accustomed to that kind of talk in the country that I come from. Go on and testify.

Mr. MEANS. I have a reason for saying that, because I will tell you what Mr. Bielaski did afterwards to attempt to frighten me.

Senator NELSON. We are not accustomed to that kind of talk when I come from. Go on and give your testimony.

Mr. MEANS. All right, sir. At the time—oh, now, Major. I have got that straight. I was with Capt. Boy-Ed at that time, because after Mr. Burns had made this report to Mr. Tumulty, Capt. Boy-Ed got hold of the information, or some of the Germans did in some way, that I had reported the Huerta matter, and he sent for me and told me that the Germans knew that I had furnished this data: that I had the details of it; and that I had furnished it to the Government; and that I need not consider myself in their service doing any work for them.

Senator OVERMAN. Had you been in their services before?

Mr. MEANS. Yes. I had gotten leaves of absence, as I say, two or three times from Mr. Burns.

Senator OVERMAN. When did Boy-Ed employ you, if he did employ you?

Mr. MEANS. That was in the spring of 1915 that I did this piece of personal work for him that I have reference to. I have forgotten the details. The newspaper men will remember the details.

Senator OVERMAN. It does not make any difference about the details. Were you employed by Boy-Ed at that time?

Mr. MEANS. Yes; regularly later, I will come to that.

Senator STERLING. You left the impression a while ago that you were just employed by Boy-Ed to do personal work for him.

Mr. MEANS. I was employed by Boy-Ed only, at any time. I was really not employed by other Germans.

Senator STERLING. Later you spoke of being employed by the Germans.

Mr. MEANS. I meant, by that, Boy-Ed.

Senator STERLING. You were employed by Boy-Ed in the German interests?

Mr. MEANS. I was employed by Boy-Ed, I think, for the German Government. I was released at that time. Boy-Ed said they wanted to have nothing further to do with me. The other Germans did not want to have anything further to do with me, because I had made this definite report about the Huerta matter.

Senator NELSON. Did you get any pay from Boy-Ed?

Mr. MEANS. Yes; \$1,000 a week.

Senator NELSON. That could not have been limited to this scandal that you speak of.

Mr. MEANS. Oh, no; I will come to the other part of it.

Maj. HUMES. Do I understand that \$1,000 a week was your pay? I thought it was \$100 a day.

Mr. MEANS. \$1,000 a week. I got \$100 a day for a while, sometimes. I was to get \$1,000 a week if I accomplished what Boy-Ed wanted, etc. I got \$1,000 a week. I do recall the arrangement of \$100 a day.

Maj. HUMES. Your regular compensation was \$100 a day from Boy-Ed?

Mr. MEANS. Yes.

Maj. HUMES. For how long a period did that last—about a year?

Mr. MEANS. No; that lasted from some time in 1915 until up to the time that he was recalled—December, 1915.

Maj. HUMES. Did not the same arrangement continue under his successor or the man who took up a part of the work that he was doing—Otto?

Mr. MEANS. No, sir; I had a different kind of an arrangement, more or less equivalent to that.

Maj. HUMES. Did you not, in testifying before Mr. Becker in New York City, state that your compensation was \$100 a day, or \$700 a week, and that the arrangement was continued by Otto after Boy-Ed returned to Germany?

Mr. MEANS. No. I said I next reported to Rudolph H. Otto.

Maj. HUMES. What was the compensation you got from him?

Mr. MEANS. That was \$100 a day.

Maj. HUMES. Then the arrangement really did continue?

Mr. MEANS. No; there was an interval of time that elapsed.

Maj. HUMES. How long?

Mr. MEANS. I do not know just how long that was. It was a short length of time.

Maj. HUMES. For how long a period did you work for Otto?

Mr. MEANS. I will come to that in a moment.

Senator NELSON. Tell us what you did to earn that fee.

Mr. MEANS. All right. I will come to that in a moment.

Senator NELSON. Tell us what you did to earn that big fee from Boy-Ed and his successor?

Senator Wolcott. Just one moment. You say you got \$100 a day under Boy-Ed, and then you spoke of \$1,000 a week if you accomplished what they were after. Was that in addition to the \$100 a day?

Mr. MEANS. No; that was a premium, a royalty.

Maj. HUMES. A \$300 bonus?

Mr. MEANS. Yes.

Senator NELSON. A kind of conditional fee?

Mr. MEANS. Yes; a conditional fee to the extent that they wanted whatever you set out to do accomplished for them. As I say, I was released from the Germans on the strength of this Huerta report, and my next connection with Boy-Ed was, he phoned to me to go to the Grand Central Station and get a dress-suit case that had been checked there. I went to the German Club and got this claim check for this dress-suit case. I saw him there. When I got this check he explained that there were valuable papers and money in this dress-suit case.

I went to the German Club, got the claim check, went to the Grand Central Station and got the dress-suit case, carried it to the German Club, they opened it, and there were many, many thousands of dollars. I never did know the details of where it came from. I understood that some man came in from Chicago and they were pushing him pretty close—the Department of Justice men were, or he thought they were—and he checked this dress-suit case there, and he was afraid to go back and get it.

Senator STERLING. This was after you had been dismissed from the service of Boy-Ed because of your revelations in the Huerta matter?

Mr. MEANS. Yes.

Senator STERLING. And he intrusted you with the matter of getting that dress-suit case?

Mr. MEANS. Yes. Boy-Ed's position was entirely different from that of any of the other Germans in this country. He was opposed every time, to their high-handed methods. Not at any time was he in favor of them. Boy-Ed understood that I would report anything I discovered detrimental to this Government to the Government. That was one reason that he was willing to send me on this mission. As he said afterwards, he wanted a man that would not do anything against his own Government; that if a man would do anything against his own Government he would do something against anybody else.

Senator STERLING. Yet he dismissed you for what you did in regard to the Huerta matter?

Mr. MEANS. It was not through him that I had to be dismissed; it was the other Germans. The other Germans did not have any regard for myself.

Maj. HUMES. Are you not of the opinion that the alleged suit case that you referred to belonged to Von Rintelen?

Mr. MEANS. I only heard that. I never did know whether that was true or not.

Maj. HUMES. It was your opinion that it was Von Rintelen's suit case?

Mr. MEANS. No; not my opinion, because I never heard it from a reliable enough source to know whether it was true or not.

Maj. HUMES. You have always thought that it was Von Rintelen's, have you not?

Mr. MEANS. I only acted upon the information I got. The only information that I have was to that effect. I heard that afterwards.

Maj. HUMES. You so expressed yourself in the hearing before Mr. Becker—that it was Von Rintelen's?

Mr. MEANS. I told him at that time what I based that upon. I heard afterwards that that was what it was.

Maj. HUMES. Yes.

Mr. MEANS. I never knew that from a reliable source. I never had occasion to investigate to find out whether it was true or not. I did not hear that from Capt. Boy Ed or any of the rest of them, as to whether that was true or not, that it was Von Rintelen's, but I did hear afterwards that it was Von Rintelen's.

Now, the next incident that came up there was the destruction of the *Lusitania*. The Germans at that time told me——

Senator OVERMAN. Before you begin that, what was your contact with Boy Ed, and what was the purpose of your employment?

Mr. MEANS. I will come to that right away. Do you want to eliminate the *Lusitania* business?

Senator OVERMAN. Go ahead in your own way.

Mr. MEANS. The Germans advised me, when the *Luistania* went down, at the time—that was a long while after it had gone down I heard this piece of information as to how the *Lusitania* happened—how they were able to sink the *Lusitania* was that they had the English code and that they had wired from a submarine to the *Lusitania* and had her pass a definite point where the submarine was located, and that this German submarine wired that she was one of the English convoy vessels, and that was why the *Lusitania* was not convoyed in at that time; the German submarine had wired to them.

About that time a very severe dispute occurred with the Germans. I got in a little trouble with them up there in the German club about expressing an opinion as to the ideas of von Papen; that what the President of the United States should do was to start out and make an investigation as to who inserted those advertisements in the papers and hang the German that was responsible for that, because he would have some responsibility about the destruction of the lives of these women and babies.

Senator OVERMAN. Did you ever hear how the Germans succeeded in getting the English code?

Mr. MEANS. They had gotten that the fall before from a Canadian that came over on the *Lusitania*, and they debated for a long time to decide what vessel to first make use of this information on with the code in hand. They were convinced that they could not use it but one time, and they were waiting to select the biggest vessel there was. They had full knowledge, in the United States, what they were going to do with the *Lusitania* and how they were going to do it.

Senator STERLING. Boy-Ed and von Papen and the rest of them full knowledge”?

Mr. MEANS. The Germans. They knew that they had this code in their hands and that they could very easily wire to the *Lusitania* just which way to go.

Senator STERLING. Boy-Ed and von Papen and the rest of them had that information?

Mr. MEANS. No; I do not think Boy Ed had that information at that time; von Papen had secured that piece of information, as I heard, through a Canadian. That was a long time after the *Lusitania* went down that I heard this information as to how the *Lusitania* happened to go down; and I had a personal fight with von Papen with reference to the *Lusitania* going down, when I expressed

my opinion about their destroying a vessel in that way and destroying women and children.

Senator NELSON. Did Boy-Ed and von Papen want you to do anything in connection with the sinking of the *Lusitania*?

Mr. MEANS. No, sir. Boy Ed never asked me to do anything that pertained to the breaking of a law.

Senator NELSON. Who procured that affidavit from that man who was afterwards convicted of perjury, that the *Lusitania* carried arms, was an armed vessel? Do you remember his name? Can you tell me his name, Captain?

Capt. LESTER. I do not remember the name.

A BYSTANDER. Gustave Stahl.

Capt. LESTER. Stahl.

Mr. MEANS. I never came in contact, and I do not believe that the Germans believed it.

Senator NELSON. Did you know who procured that affidavit?

Mr. MEANS. I do not.

Senator NELSON. I did not know but some of the Burns people had obtained that, as they had in the other case you referred to.

Mr. MEANS. No, sir; none of the Burns people procured that affidavit. I think, if the Burns people had secured that affidavit, they would have gone out further and ascertained whether it was true.

Senator NELSON. He was afterwards convicted of perjury.

Mr. MEANS. Yes. Now, my prime work in connection with Boy Ed was the buying of materials for the Germans, the securing of materials and paying for those materials in this country for shipment to Germany. That was one of the pieces of work that I did constantly for him.

Senator OVERMAN. Did you make purchases for the German Government?

Mr. MEANS. Yes.

Senator OVERMAN. What kind of purchases?

Mr. MEANS. Purchases of rubber and copper, and stuff of that kind; handled the money for them.

Senator WOLCOTT. Rubber and what? You paid for them?

Mr. MEANS. Rubber and copper. We shipped millions of dollars worth of stuff out of the United States to the Germans, right from the United States. Now, shall I tell you about the tapping of the telephones in New York City; how the telephones were tapped, etc., and by whom?

Senator OVERMAN. By the Germans, you mean?

Mr. MEANS. No; I am not talking about the Germans. They were tapped by Mr. Bielaski, through the police commissioner, Arthur Woods, and his second deputy, Frank A. Lord.

Senator OVERMAN. No; we do not care to know about that, unless Germans had something to do with it.

Mr. MEANS. They were tapping the German wires. We knew about that.

Senator WOLCOTT. I do not think we are interested in that—United States Government activities.

Mr. MEANS. They tapped all the wires——

Senator WOLCOTT. Never mind; we do not care anything about what the United States Government did in the way of tapping wires at least, I do not.

Senator OVERMAN. No; I do not see what that has got to do with it. We want to know what the Germans did.

Mr. MEANS. All right. Another method of the Germans at that time was through "phoney" buying agents to push up the prices of the requirements of the English in this country to an enormous price and make them pay as much as they could.

Another piece of German propaganda at that time. A man that had a great deal of data on the German propaganda in this country was Mr. John R. Rathom, of the Providence Journal. I met him; and first, the Germans believed that he was being paid by the English Government for exposures in this country. An investigation proved that that was not true. I went directly to Mr. Rathom and asked him if that was true, and he advised that it was not true; and investigation proved that it was not true. But I constantly gave him information as to the German propaganda in this country. One of the particular things I outlined to him—and I continued to give him information at that time, so that he could furnish it to the Government—one of the particular things I called to his attention was the fact that Von Papen was using this insurance data, and I called his attention to the fact that most of their high-handed work was taking place from the German interned vessels; and I also want to mention here that all the time during this work Boy-Ed was opposed, at any and all times, to the explosions and to secret propaganda in this country. He believed in open propaganda. That is what he advocated. He believed in open propaganda, and he got in trouble with his own Government afterwards, as I will come to, to show you.

I was advised by Mr. Boy-Ed to employ for him a newspaper man or several newspaper men who could write German propaganda, to insert and pay for in a regular way; and, particularly at that time, he wanted to write up the conditions in regard to the prices of cotton in the South, and I came to Washington here and found Mr. A. T. C. Bryan, and tried to employ him for the Germans. He was correspondent of the Charlotte Observer and he was correspondent of the New York World. I discussed with him about employing him. He asked me whether the Germans would want him to misstate any facts! I told him, "Never"; Boy-Ed would not. He would want him to give the exact facts and the truth as to the situation, and why the price of cotton was low.

Senator OVERMAN. He refused the employment, did he?

Mr. MEANS. He said that he did not know whether he wanted to be employed by them or not. Especially, he did not want to be employed by them if they wanted his sympathies that way; that his sympathies would be with the allies. He was in sympathy with the allies.

Senator OVERMAN. You did not employ him, and did not pay him anything?

Mr. MEANS. No, sir; did not employ him. He said that his sympathies were directly with the allies, and he would not write anything except that his opinion was that way, and that was the way he would have to write, except on that material subject; that anything he wrote might not be entirely in sympathy with the Germans.

One of my pieces of work there, besides attending to the purchases for the Germans, where they spent millions of dollars, was, Boy-Ed

the gasoline engines which these submarine chasers used, which were in these submarine chasers, and to buy up submarine boats. Here is a typical Boy-Ed report to me, unsigned, written on his own typewriter, which shows in detail how we got them out.

Senator WOLCOTT. Is this all one report or is it several reports?

Mr. MEANS (handing papers to the committee). That is several reports there. I had hundreds of those reports. A great deal of this data that has come out here Mr. John R. Rathom published a long time ago, and he is running a column right now showing what he published before, under a certain date, and how it is coming out to-day. He is publishing that in his paper.

Senator OVERMAN. Go ahead, now, and tell your story.

Mr. MEANS. I was employed by Boy-Ed, located at the Hotel Belmont at that time, for the purpose of buying these boats, and made all the arrangements to purchase them—had the necessary funds. It is not necessary to go into details about that. We have a claim against the Germans on that now for the additional data in regard to that, and the arrangements and the contract with Boy-Ed for the purchase of those boats, which was perfectly legitimate. We were in no war at that time with Germany.

The English were buying and the Russians were buying a great many of these submarine chasers over here, and I would like to say here that Boy-Ed's reports, as I always understood it, were never made—he was not working in the same department with Capt. Von Papen—so his reports were sent to an entirely different bureau or department in Germany.

Senator OVERMAN. These seem to be the contracts that the English Government had.

Mr. MEANS. That is the data of the kind of boats that he wanted.

Senator OVERMAN. The data is contracts made with the English Government.

Mr. MEANS. I understand that, but what he was buying these boats for was to keep the English Government from getting hold of them.

Senator OVERMAN. Did you buy any?

Mr. MEANS. Yes; we made arrangements and then afterwards Boy-Ed made complete arrangements to buy English boats, and got hold of a contract showing the details of construction of one of those boats, this contract carrying the plans and specifications of the boats, and the German contract was to be more or less modeled after their contract, and the plans and specifications were to be modeled after it, because the particular shipyards were equipped to make that kind of a boat. They wanted to take up the complete supply in the United States. When I happened to get hold of these plans and specifications Boy-Ed said that those plans and specifications, if they were building those boats, they carried emplacements for guns, and that was a direct breach of neutrality, and that he was going to Washington to make a protest before the neutrality board, and they tried to persuade him not to go, but I understood that he did come here, and it was on the strength of part of that work that he was recalled, so he always thought and so he advised me.

Senator OVERMAN. Proceed. Let us get along with this as fast as possible.

Mr. MEANS. Just before Boy-Ed was recalled—after he was recalled, but before he left here—his papers were turned over to me—his confidential papers and files, all the papers that he had—and I was instructed to hold those papers, which I did. That was in the late fall of 1915. Just before, or right after Boy-Ed left, those papers were sent to me. Mr. John R. Rathom was in my home after that and I showed him some of those papers—the Boy-Ed papers and his reports from this country, and the part he had taken in it in the spring of 1916. The same party that delivered those papers to me came to me and told me that Boy-Ed was in trouble in Germany—that they were about to try him.

Senator WOLCOTT. Who delivered the papers?

Mr. MEANS. A man named Henry Freund—that they were going to try him in Germany for disobeying instructions and orders over here, and that he wanted to get certain of those papers to send to Germany for Boy-Ed's defense. In the spring of 1916 I reported to Rudolph H. Otto, who was, so far as I know, a successor of Boy-Ed.

Senator WOLCOTT. Were you directed to report to him?

Mr. MEANS. Yes.

Senator WOLCOTT. Who directed you to do so?

Mr. MEANS. This man Freund told me to see him. I saw him. One of the first pieces of work we did there was Capt. Bertling's papers had been secured—gotten hold of in some way by the New York World. They wanted to ascertain just how the New York World had gotten hold of them, and prevent the publication of those papers if they could. I then met, I think it was, a German university propaganda branch of the German interests, in Madison Square—right near Madison Square, New York City, a big building there—their headquarters, and Capt. Bertling's headquarters were there. Counsel was employed to handle that matter and a number of interviews were held with this counsel and with other prominent gentlemen in New York City in reference to the attempt to stop the publication of those papers or to get hold of them for Capt. Bertling. At the time that the New York World was getting up the fund for lighting the Statue of Liberty, a crowd of Germans got together and raised a fund of \$70 or \$80, intending to send it up to the New York World. I call the fact to your attention that they were Germans and they wanted to show their loyalty to this country by that. They wrote a very nice note saying that they wanted to see the Statue of Liberty lighted up. I sent that note, which appeared in the New York World, this letter which was sent there unanimously with the fund. We attended also about that time to shipments of rubber from the United States. The Germans were unable to get raw rubber, and we were shipping quite a good deal of it.

Senator WOLCOTT. How was the rubber gotten from this country to Germany?

Mr. MEANS. The first problem was to get hold of the rubber. It was very difficult to get hold of the rubber because the English Government had laid down a rule whereby they would not allow raw rubber to be shipped from their possessions to the United States unless the manufacturers of finished rubber in the United States gave

them detailed reports on all of the export trade, and as to what became of this raw rubber. Now, that raw rubber had to be secured in a way, in order to get it to Germany, and in that way the Germans managed to get hold of some of it, and we attended to the shipping of it. It was purely a commercial proposition. I working for the Germans in a commercial way.

Senator WOLCOTT. How was it shipped over, through some neutral country?

Mr. MEANS. Yes; this rubber was really shipped as naval stores. It was sent to Alabama and Georgia and packed in resin barrels and tar barrels.

Senator WOLCOTT. Well, where did it go to?

Mr. MEANS. To Norway and Sweden.

Senator WOLCOTT. To neutral countries.

Mr. MEANS. Yes; and a great deal of it went to Russia. Some shipments were made direct to Russia, but the Germans were thoroughly in touch with the Russians and got enormous supplies from the Russians. A great many Russian buyers were buying for the Germans. A great deal of rubber purchased by the Russians was really purchased by Germans.

Senator WOLCOTT. How did the Germans work it to get hold of the raw rubber in this country?

Mr. MEANS. They managed to get it through the stevedores, the men that handled the freight at the piers. There would be a certain amount of rubber invoiced and a certain amount would fail to turn up. They would report a lossage, and the necessary fund to replace that lossage was turned over in the handling, to transportation companies.

That is how they managed that.

Senator WOLCOTT. The whole invoiced quantity reached this country, but the Germans worked a "kitty," so to speak, on each cargo?

Mr. MEANS. They worked a "kitty" on each cargo. That is how they managed to get hold of their rubber.

In May or June, I think it was, 1916, I went to Norfolk for the Germans to arrange about some shipments there for them. Also, while I was under Rudolph Otto, I attended to the evidence, getting up the evidence and the data, and arranged to employ an attorney to defend the Germans that had been indicted in this country and whose trial was coming up in 1916.

I called on this lawyer two or three times for the Germans, directly under the directions of Mr. Otto. This was his name [exhibiting slip of paper to Senator Overman].

Senator OVERMAN. All right.

Mr. MEANS. A dispute arose in connection with the employment of this attorney, between Mr. Rudolph Otto and Mr. Heynen, another German representative that I had met before, who lived at the Hotel Plaza. Mr. Heynen did not want this lawyer furnished with all the data and the evidence in connection with that, and Mr. Rudolph Otto took the position that he should be furnished with it, and so did I; and it was finally decided that if they would not furnish him with all the data that we had put in the file, and so on, and let him see the exact circumstances, we would not arrange to employ him. So another lawyer was employed afterwards to defend those men. Mr. Heynen attended to that.

Capt. LESTER. Was that Carl Heynen?

Mr. MEANS. Yes.

Capt. LESTER. He was Albert's representative, was he not?

Mr. MEANS. Yes; they had him interned. He lived at the Plaza for a long time.

Now, I do not know whether this is in line here, but while I was at Norfolk, and after I came back—I do not know whether I should read a report here of what happened and what Bielaski did in connection with sending a man to my home—mark you at that time I had never broken any law, or at any time; and if I had it was the sworn duty of Mr. Bielaski to have me arrested; I was working under advice of counsel, and not at any time did I, under any circumstances, break any law. I would have been perfectly frank and willing to have said and told anything that I was doing, except that I would not have divulged how the Germans were managing to get their merchandise out of the United States, because they had a perfect right, I felt, to get all they could, and, in addition to that, because it was helping the American manufacturers, and it was a good idea, I thought, to have the Germans and the English compete.

Maj. HUMES. Was not one of the incidents of the shipping of this German merchandise the making of false manifests to the Government?

Mr. MEANS. No, sir.

Maj. HUMES. Do you mean to say that there was a truthful manifest made?

Mr. MEANS. Yes; I always understood so.

Maj. HUMES. Was not this rubber packed in rosin barrels, or tar and oil barrels, and in some way disguised so that the manifest would not disclose the exact nature of the cargo?

Mr. MEANS. If you will investigate you will find that was classified as rubberoid tar; and the freight company and the boat companies passed on it that way.

Maj. HUMES. It was shipped for rubber, though, was it not?

Mr. MEANS. Was it shipped for rubber?

Maj. HUMES. That is, it was to be used as rubber, and it was used as rubber?

Mr. MEANS. It was used as rubber, unquestionably.

Maj. HUMES. Then, if the manifest showed it in some other way, it was a false manifest, was it not?

Mr. MEANS. It was rubberoid tar. That is the way they classified it, as I understood.

Maj. HUMES. Just answer the question. It was incorrect, then, was it not?

Mr. MEANS. No. On the contrary, I would say that they got up a classification that enabled it to come under a classification that would not have been a false manifest.

Maj. HUMES. Then, it was really a fraudulent classification, rather than a false manifest; is that it?

Mr. MEANS. No; exactly upon the same principle that most manufacturers in this country classify hosiery or different articles as knit goods.

Senator OVERMAN. Why was it sent to Alabama and put in tar barrels?

Mr. MEANS. Because the tar was there. The naval stores were made in Alabama and Georgia.

Senator OVERMAN. It was put in those barrels to deceive, of course?

Mr. MEANS. To keep the English from taking it off of the vessels when they searched it. They were not after doing anything against the United States Government.

Senator OVERMAN. I understand you to say that they were not doing anything against the United States Government, but it was bound to be false, because this stuff was put in tar barrels to mislead!

Mr. MEANS. It was put in tar barrels to mislead the English; to keep them from taking it; because the English were making these boats that would be carrying this material come into English ports. I think they were advised by counsel as to how to classify it.

Senator WOLCOTT. Did you have anything to do with that end of it?

Mr. MEANS. Not anything at all.

Senator WOLCOTT. Your business was simply to buy the stuff?

Mr. MEANS. To get the stuff. I suggested the idea to them as to how to do it. I thought of that idea of the tar; that they could send it to Alabama or to Georgia; because I was from the southern country, and I had seen this tar and naval stores packed; and as soon as I saw the raw rubber I thought that it looked very much like tar and naval stores, and I thought of that idea, and then they got in touch with their own men to attend to that detail of it.

Senator OVERMAN. But you suggested that that was a good way to ship it?

Mr. MEANS. Yes; I suggested that that was a good way to ship it. I suggested that I thought that was feasible, just like I suggested ideas about making other shipments at that time. That was long before we were in the war.

Maj. HUMES. Mr. Means, did you ever know of shipments of cargoes on Norwegian vessels from New York marked "horseshoes" that in fact contained copper ingots?

Mr. MEANS. No.

Maj. HUMES. You were not familiar with that?

Mr. MEANS. No, sir; I would not have——

Maj. HUMES. Did you ever know of copper wire being put into the tanks of an oil vessel?

Mr. MEANS. No.

Senator WOLCOTT. You bought some copper for them, did you not?

Mr. MEANS. I attended to the paying for it, and so on.

Senator WOLCOTT. How was that shipped out?

Mr. MEANS. It was consigned—I do not know how it was shipped, but it was consigned, in some instances, to Russian interests.

I think they formed a false idea around New York, or conceived the idea or opinion that the Germans were doing all of their shipping from New York. They were making tremendous shipments from Galveston and New Orleans and other southern ports.

Maj. HUMES. How was the copper shipped that you bought?

Mr. MEANS. I did not know the details of that, as to how they shipped it.

Senator OVERMAN. Did you give the address to which it should be shipped?

Mr. MEANS. No, sir.

Senator OVERMAN. When you bought it, what was the next thing that you did after you bought the copper?

Mr. MEANS. My prime object was the passing of this money backward and forward, for the purchase of it. The Germans had to pay cash almost entirely for stuff, because in the passing of checks the English secret service, working with some people here in the United States that you are familiar with, were tracing purchases and shipments that the Germans made, and, of course, the moment that the English Government got a tip that a certain vessel was coming over and very likely had certain stuff in it that was really intended for Germany, why, they would positively take this vessel into an English port.

Maj. HUMES. Who furnished you with the money that you used to make these purchases?

Mr. MEANS. Capt. Boy-Ed.

Maj. HUMES. Was Boy-Ed handling the money that was used in the commercial activities of the German Government?

Mr. MEANS. Some of it. A great deal of it. I do not know to what extent, as compared with what others were handling.

Maj. HUMES. Was he doing that as an independent part of his work or was he merely acting as a representative or agent of Albert when he was conducting negotiations at that time?

Mr. MEANS. Capt. Boy-Ed was acting as a direct representative of the German Government, and was not reporting, to the best of my knowledge, to Albert at any time, and Albert did not supply him with his money. Boy-Ed's money was supplied from a different source in Germany—the navy department or some other department.

Maj. HUMES. Was this money delivered to you by him in cash?

Mr. MEANS. Yes; frequently.

Maj. HUMES. Where was Boy-Ed doing his banking at that time?

Mr. MEANS. I did not ask him.

Senator WOLCOTT. Did you know?

Mr. MEANS. No; I did not know. I would not have asked him, though, so I would not know. All of my work at that time was nothing in the world but commercial work. I was with the Germans from a purely commercial standpoint—for the money that I could make out of it. I was pro-American all the time. I was not pro-German nor pro-English nor pro-French. I was more in favor of France than any other country. I was not so much in favor of England at any time, because I had studied the history closely and I knew that she never explained the Boer War, and I had watched the Irish question very closely, and I had also watched her treatment of women over there when they had up the question of voting, and had seen that they had used billies and sticks on women, and I did not like that English idea. That was where I was forming my opinion of England and from my close study of the Boer War. I was more in sympathy with France than any other country. After we got into the war ourselves, of course, I was proally, and I would take any help we could get from any source at all.

I was advised in September or October that the Germans in their messages to the President of the United States on the question of submarines were only playing for time to build other submarines and great numbers of submarines.

Senator WOLCOTT. Who advised you of that—anybody representing Germany here?

Mr. MEANS. Rudolph Otto.

Senator WOLCOTT. He was the man who succeeded Boy-Ed?

Mr. MEANS. He was the man who succeeded Boy-Ed. I was advised that that was what they were really going to do. And he also spoke at that time of the naval battle that they had and what they would be able to do a little bit later.

I asked him the specific question: "Do you mean to say that you are going to have unrestricted submarine warfare?" And he said, "That is virtually what we are going to have, as soon as we are equipped for it." I said, "That means that you will attack United States vessels?" He said, "Any vessels that are supplying England, or any neutral country that we see fit to attack."

The moment he said that to me I resigned—quit the Germans. I said, "That can not mean anything in the world but war." And the last pay that I received from the Germans was through Rudolph Otto, and I had really gone to Chicago at the time and sent my brother there to get this money. And when Mr. Becker, in examining me in New York City, attempted to tell me that I had received money from the Germans after we declared war, and so on, and that he had so seen, giving dates there, that he had so seen from books, he was not stating the facts. And there is no proof of any such condition prevailing. I received no money from the Germans for a long time before we got into the war. And I quit the Germans on my own accord and from my own volition, and only for the reason that they said they were going to announce unrestricted submarine warfare.

Maj. HUMES. When did you get your last money from the Germans?

Mr. MEANS. I got my last money from the Germans in October or November. My brother went there and got it. I had gone to Chicago.

Maj. HUMES. 1916?

Mr. MEANS. 1916.

Maj. HUMES. In October or November, 1916?

Mr. MEANS. Yes. It might have been September. It was about that time. It was in the fall of 1916.

One of the reasons why I was furnishing Boy-Ed or Mr. Rathom with this feature of the German propaganda was that—not Boy-Ed had told me, because he tried his best to suppress that in his own conversations; that I heard him at different times say he was opposed to it, with every breath that he had in him, and said it would only lead to trouble. He wanted it stopped himself and tried to persuade Von Papen of the error he was making. The reason I furnished Rathom with some of this information was because Rathom had equipped himself through employment for news purposes, I suppose, to trace down, after you would give him a tip, any piece of information; and when we got these tips he did trace them down. I think he had some 12 or 15 men, probably, working for him.

In the midst of all this German work my telephone wire was tapped. All of the German wires were tapped in New York City. And when Maj. Humes stated the other day that they did not have

Mr. Untermeyer's wire tapped and smiled, he knew full well that they had Albert's wire tapped and——

Maj. HUMES. Just a minute. I understand the committee has ruled that they do not care for any discussion of that particular feature.

Senator OVERMAN. No. Whatever the Government did in tapping wires we do not care to know anything about.

Mr. MEANS. I have got the list of all the wires that were tapped long before we got into the war. Lots of these wires were tapped purely for commercial purposes and not entirely in the interest of the United States.

Senator OVERMAN. Well, we are not investigating that. We are investigating German activities and German propaganda.

Mr. MEANS. While I was in Chicago the Germans got in touch with me again. That was before we declared war, and I think about the time we were going to declare war, and they notified me that they had in Germany \$20,000,000, or \$25,000,000 worth of securities that they wanted converted and changed into other securities. That was a fund that was under the control of Alvo von Alvensleben. I consulted a lawyer as to the advisability of attending to that for them.

In the meantime the Germans owed me in connection with my commissions in the buying of these boats for them, which they had never been able to settle because Boy-Ed had been recalled so unexpectedly; it was a surprise to him himself——

Maj. HUMES. Let me ask you: Do I understand you to say that they actually bought boats?

Mr. MEANS. I said they arranged, and so forth, to buy them.

Maj. HUMES. Just now you said for the boats you had bought for them——

Mr. MEANS. Arranged to buy, I should have said, Major.

Now, they brought these bonds to me at the Kaiserhoff Hotel. First I had consulted a lawyer in Chicago about attending to the converting of these bonds, and he told me that there was nothing illegal about it, to go ahead and do it; that there was no law against it.

I was primarily interested in my individual money, and I was to get my pay there.

I went to Charles C. Adsit, one of the leading brokers of Chicago, and took up with him the question of handling these bonds, and he said he would handle them, and I so reported to the Germans.

Senator OVERMAN. You say you so reported to the Germans. To whom?

Mr. MEANS. To a German named Hiller. The Germans talking to me at that time advised me that they would stand still awhile, because they were putting a hypothetical question up to the Department of Justice through some connection; that is, a hypothetical legal question pertaining to this question of converting bonds, and so on. These negotiations were going on for two or three weeks without disclosing exactly why the hypothetical question was put up. That matter was not carried out. I never knew what the result of this hypothetical question was that they put up to the Department of Justice.

Now, one of the last acts, just before we got into the war. Mr. John R. Rathom, from Providence, R. I., wired me as follows: "G. B. Means"—This telegram is dated March 13, 1917. He had been talking to me over the long-distance telephone—"G. B. Means. Chicago Beach Hotel"—I had gone to Chicago in October or November, 1916:

G. B. MEANS,

Chicago Beach Hotel, Chicago, Ill.

Evans O. K. and absolutely reliable. Tell him all you can.

JOHN R. RATHOM.

Mr. Evans was a reporter on the Chicago Herald at that time. He is now with the Chicago Tribune. As I say, Mr. Rathom had talked to me over the telephone, and was to talk to me again. But you will find that on the night of March 13 or March 12 there was a big storm, and they could not talk over the telephone wires, so that he reached me with this telegram instead.

I told him to name the man he was going to send to me, and he told me to do anything I could right then because they were unquestionably going to declare war—the United States was.

I had two interviews with Evans; one interview when he came—he seemed to be under the impression that I belonged to the United States Government Secret Service. I disabused his mind of that and told him that that was not a fact; that I had been connected with the Germans, and outlined it to him briefly. I told him I did not have anything to say to him and would not have anything to say to him until I had heard further from Mr. Rathom.

Then I got this telegram, and Mr. Evans came out—A. M. Evans is his name—came out again, and I told him then to get into communication with Mr. Rathom, or the United States Government, and tell them that Captain Boy-Ed had told me that the moment this country got into trouble with Germany, if it did, or there was any prospect of its getting into trouble, that they had already arranged, and were equipped to destroy the internal machinery of every German interned vessel; and that I had always found any statement Boy-Ed made was the truth, and they were so equipped with proper code messages to send, and so on, and they unquestionably would destroy the internal machinery, and that the Government had better quietly put some men on board the ships right away. I think Mr. Evans will confirm that. I have never seen him from that day to this.

Now, after I came from Chicago to Asheville, N. C., I have got the detailed reports of what happened there. You say you do not want to go into anything that Bielaski did at that time, or Ambrose, or anybody else——

Senator OVERMAN. If it is connected with any German business it is competent, and only in that view.

Mr. MEANS. This telephone business, etc., that I started to mention, is connected with the German business. I was going to outline there how the Germans had the Department of Justice itself under surveillance, and knew pretty well what was going on in the Department of Justice; knew every detail of what the Department of Justice was doing; if you want to go into executive session to hear that; that

they knew every move that the Department of Justice was making; that they had their sources out of the Department of Justice.

Well, nevertheless, the accidental death of Mrs. King occurred in North Carolina. When I was on trial for my life Mr. Bielaski issued a statement to the reporters in Washington that I had made application to get with the Department of Justice. Mr. Tumulty made the statement in the newspapers, which was true, that I had made such report, and I think Mr. Daniels said something about my calling on him here.

But Mr. Bielaski made the statement in the papers while I was being tried, because of other reasons, because of his animosity against me, because of things which he knows that I know, which I can bring out in executive session, that I had made application to get into the Department of Justice, and that was printed all over the country. There was absolutely no such application made. I did not try to get with the Department of Justice.

There was no reason why I should have gotten with the Department of Justice. And at that time, because I had worked for the Germans, the Department of Justice opened every letter that my lawyers wrote and every telegram that I sent, and furnished it to the attorneys of the Northern Trust Co. They went to Mr. Carroll, the division superintendent. That included the telegrams and letters of men like F. I. Osborne, ex-Federal judge; Mr. Canseer, one of the leading lawyers of North Carolina; and Mr. Hartsell. They went to Mr. Carroll, superintendent of the Western Union Telegraph Co. division, and Mr. Bielaski subpoenaed and took from the files of the Western Union Telegraph Co. every telegram that I sent, that my father sent, and that my lawyers sent pertaining to witnesses at that time, he working with the Northern Trust Co., and the original telegrams were turned over to the attorneys of the Northern Trust Co., which telegrams, etc., they have now; and Mr. Carroll, in Charlotte, N. C., will confirm this as a fact; and the original telegrams are in Chicago.

Senator OVERMAN. What do you mean by saying that Mr. Bielaski was working for the Northern Trust Co.? He was, as I understand it, an agent of the Department of Justice here, the head of the Investigation Division.

Mr. MEANS. I can show you the evidence and the facts that the contrary is true; that C. B. Ambrose, his right-hand man at the beginning of it when they wired to let them have Ambrose of the Department of Justice, and Olsen, of the Department of Justice; that Olsen sent a telegram to the Northern Trust Co. at the time of Mrs. King's death, and John T. Dooling, of New York City, and that he was a Department of Justice man; and I can show you that from Dooling's correspondence. Mr. Clements, of North Carolina, did not know that he was a Department of Justice man, and Mr. Clements kept on trying, in good faith, to find out who this man Olsen was, and why he was there. I can show you Mr. Clements's inquiries asking who in the world Mr. Olsen was and why he was there. Olsen and Ambrose were both Department of Justice representatives.

I can show you, in addition, how they followed me from Asheville and came to my home and asked me for papers, and I turned over

the trunk to Ambrose containing the very papers that they would not let me have afterwards for my own defense.

Capt. LESTER. Who is Olsen?

Mr. MEANS. A Department of Justice representative.

Capt. LESTER. Was he a special agent in the Department of Justice?

Mr. MEANS. Yes.

Capt. LESTER. Was he at that time?

Mr. MEANS. Yes.

Capt. LESTER. What year was that?

Mr. MEANS. 1917.

Capt. LESTER. Where was he attached?

Mr. MEANS. He was attached, primarily, at that time in North Carolina, going backward and forward to New York City, following me—he and Ambrose.

Capt. LESTER. I mean, what part of the Department of Justice was he attached to?

Mr. MEANS. He was attached like Mr. Ambrose—Mr. Bielaski's man Friday; his right-hand man.

Capt. LESTER. Mr. Ambrose was in Chicago, as I understand it?

Mr. MEANS. Do you want to see what Mr. Clabaugh testified to—the district superintendent of Chicago?

Capt. LESTER. I do not care about that. I just wanted to find out who Mr. Olsen was.

Senator WOLCOTT. Just a minute here. Where are we getting to in this?

Senator OVERMAN. It looks to me like we were going far afield.

Senator WOLCOTT. I do not see the purpose of this. It looks like we were going into the maneuvers of the two sides in the case you were on trial in, and I do not see how that concerns us.

Mr. MEANS. They said they had me under surveillance because of German propaganda, and that I was a German spy. Here is the kind of reports that Bielaski sent out all over the United States [indicating].

Senator WOLCOTT (after examining paper). The statement is there that you have undertaken to refute by all your various activities in connection with the Germans.

Mr. MEANS. My point is that I can prove that I was much more loyal to the United States than Mr. Bielaski was; that he was loyal to another country.

Senator OVERMAN. Mr. Bielaski is not on trial, and it occurred to me when you said that he was in the employ of the Northern Trust Co. instead of the Department of Justice, I can not understand how that can be.

Mr. MEANS. Mr. Bruce Smith went to Mr. Clabaugh, the division superintendent in Chicago, and had him to wire Mr. Bielaski here in Washington.

There is Mr. Clabaugh's testimony, which shows they made use of the private wires backward and forward between Olsen and Dooling and the Northern Trust Co., in reference to my case. They did not even send them over the regular Western Union or Postal Telegraph wires, but used a private wire; but I had captured every one of those affidavits and all the correspondence. I have it every bit in my possession, or photographs of it.

Senator WOLCOTT. Still I am at a loss to see what all of that has to do with German propaganda.

Mr. MEANS. That is what I could not understand about Mr. Bielaski and Mr. Ambrose when they were trying me for my life. What did the Department of Justice have to do with that? They sent Ambrose down to my home and demanded from Judge Osborne the papers.

Senator WOLCOTT. I do not know anything about what the Department of Justice did in connection with that, and we are not concerned in it; but let us assume that Mr. Bielaski and his assistants did render some service down there at that trial. Let us assume that. I do not know whether it is true or not. What has it got to do with German propaganda? At the most it proves that the Federal authorities rendered some assistance to the State authorities in the prosecution, and that is not very unusual at all.

Mr. MEANS. They were not rendering assistance to the State authorities. Mr. Clements did not want it. They were rendering assistance to the Northern Trust Co.

Senator WOLCOTT. We are getting off into things that I believe we are not concerned about.

Senator OVERMAN. I think we ought to stick to the German propaganda; still I do not know why the Department of Justice should be helping a private corporation.

Maj. HUMES. I think the record will disclose, and I imagine Mr. Means knows it, that Ambrose, who was in the Department of Justice, was on leave from the Department of Justice for a considerable period of time and had accepted some private employment. At the time he was not in the employ of the Department of Justice.

Senator WOLCOTT. So, then, even the assumption that I was making a while ago is not founded on any fact.

Maj. HUMES. I understand not.

Mr. MEANS. That is true about Mr. Ambrose to a certain extent, but is it true about Mr. Olsen?

Senator WOLCOTT. You are asking me a question. I do not know anything about it.

Capt. LESTER. There are two Department of Justice special agents right in the room. and they never heard of Mr. Olsen. They have been long in the service, and they never heard of Mr. Olsen having any connection with the Department of Justice in any capacity.

Mr. MEANS. Does the committee want to see the figures and the letters and the data on Mr. Olsen?

Senator OVERMAN. We will have to find out whether he was employed and what he was doing.

Capt. LESTER. What is his full name?

Mr. MEANS. J. T.

Capt. LESTER. J. T. Olsen?

Mr. MEANS. Yes. You know sometimes in the Department of Justice they work under different names.

Capt. LESTER. A matter of that kind would be of record up there.

Mr. MEANS. Mr. Bielaski's letter to Senator Overman, Congressman Doughton, and Senator Wadsworth and Senator Calder and Senator John Sharp Williams, of Mississippi, does not coincide at all with the information that Mr. Clabaugh had to swear to on the

stand in Chicago when we tried to get this information from Congressman Doughton as to who Ambrose, etc., was. Mr. Bielaski would not give it to us, but a Department of Justice man had reported to me—one of their confidential men—giving me full information as to the part the Northern Trust Co. and Dooling had taken. We thereupon sat down and wrote to Senator Overman and Senator Simmons. First Mr. Bielaski reported back to Mr. Doughton that it was a war measure and they wanted the information, etc. In other words, we got no definite results, but when we wrote to Senator Overman, Senator Simmons, Congressman Robinson, Senator John Sharp Williams, Senator Calder, and Senator Wadsworth—we had friends to write them—and on the strength of that information the Department of Justice had given me, when those Senators walked into Mr. Bielaski's department—when we wrote the letter we fixed it so that the Senators would demand the information at the same time. and they got it. The letters that they wrote back to these different people do not coincide at all with what Mr. Clabaugh swore to on the stand.

Senator OVERMAN. I understood from his letter to me that this man had been employed by the Department of Justice, but that he was not at that time.

Mr. MEANS. I do not know but that is correct. He suggested he would have to send to Chicago to get the information. As a matter of fact, Bielaski himself released Ambrose. Mr. Bruce Smith, of the Northern Trust Co., went into the Department of Justice and asked Mr. Clabaugh to release Mr. Ambrose for this purpose, and Mr. Clabaugh says, "Well, I do not quite understand the ethics, the principle of releasing a Department of Justice man, Mr. Smith, for you and the Northern Trust Co. If the State government was calling for it, it would be a different proposition, but you are calling for it. What have you to do with an accusation of murder?" He says, "I won't take the authority to release a man." He says, "I will wire Mr. Bielaski." So he wired Mr. Bielaski and Mr. Bielaski then released Mr. Ambrose, but the Department of Justice had been constantly reporting to the Northern Trust Co. while I was making this investigation of this will, furnishing them with the full data, opening my correspondence, and taking photostat copies of it, and giving it to the Northern Trust Co. If this committee wants to send to the Department of Justice and demand from them—it is up there, or was five or six days ago—their file on me, they will find it. what Mr. Bielaski did with all the data, every move. If they will send up and get it as quickly as they can find the papers, if the papers are not taken out, they will give you exactly every detail, and you will find out just what Mr. Bielaski did, and that correspondence from the Department of Justice's representative himself.

Senator OVERMAN. Was he not looking for you as a German agent?

Mr. MEANS. I had discontinued my services.

Senator OVERMAN. I know, but did he know that?

Mr. MEANS. He could not continue to have had me under surveillance without knowing it. He was watching me secretly.

Senator OVERMAN. He was not after you as a German agent?

Mr. MEANS. No; for the Northern Trust Co.

Senator OVERMAN. He was getting this evidence for the Northern Trust Co., and not for the interests of the Government?

Mr. MEANS. Exactly, that is whom he was getting it for.

Senator OVERMAN. Go ahead.

Mr. MEANS. Well, it shows from that correspondence that I was acquitted of the accusation they made. After I was acquitted, Judge Osborne, Judge F. I. Osborne, of North Carolina, and Mr. Cansler told me to furnish the Federal Government, that we were right in war, that it was a dangerous situation, and any additional evidence I had to help the Federal Government in any way to furnish them with the information. I told a man named Handy—Mr. Frederick C. Handy—special agent of the Department of Justice, at Greensboro, N. C., to come to Charlotte and I would give him that information, any information that I had. He did come. Judge Osborne was not there that day. Judge Osborne wrote I am coming back to these German bonds in Chicago. Judge Osborne wrote Mr. Handy as follows:

JUNE 27, 1918.

Mr. FREDERICK C. HANDY,

Special Agent, United States Department of Justice,

Post Office Building, Greensboro, N. C.

DEAR SIR: My client, Mr. Gaston B. Means, called to see me this morning, upon my return from Raleigh, with reference to a subject matter concerning which he had talked with you. After consultation with me I have advised him to go with you to Chicago and investigate the subject concerning which you conversed, and to give you all the assistance and information which he may have concerning that subject.

Judge Osborne put that in for a specific reason, not to go with any man Mr. Bielaski designated under any circumstances, because Judge Osborne had found out about Mr. Handy, that he was a pretty reliable man.

I wish him to go with you especially on account of what I know concerning yourself, and with no other agent of the Government. He will pay his own expenses, and I am confident from what he tells me that he can be of great assistance to you and the Government in your special department.

Yours very truly,

I went to Chicago.

Senator OVERMAN. Did Mr. Handy go with you?

Mr. MEANS. No. Mr. Handy was to meet me at Greensboro or Lynchburg. We had quite a few telegrams. I have sent for those telegrams. I went to Chicago and reported that I would get busy on this, and Mr. Handy wired Judge Osborne as follows in Chicago. This telegram is dated July 1, Judge F. I. Osborne. Judge Osborne went with me to Chicago. The will case was coming up before the probate court, and I told Mr. Handy that when I went out for that case as a witness at my own expense I would look up those bonds that I had spoken about.

Telegram just received from Bielaski says "Do not believe it practicable for you to make trip to Chicago at this time suggest you wire Osborne and Means to take matter up with Chicago office" stop wire me what you and Means do. If you still insist that I investigate suggest that you wire Bielaski to that effect.

HANDY.

Now, when I was on the stand, testifying in the James C. King will case, Mr. Reichman, attorney for the Northern Trust Co., turned to me and asked me something in reference to this. I do not know how he learned about it or anything else. I told him that I was

then and there, with Judge Osborne, going to be of any assistance to the Government that I possibly could in looking up these bonds. Mr. Adsit, who was on the stand, had referred to these bonds, and I told Mr. Reichman that I would be of any assistance I could, regardless of the treatment I had received from him or from the Department of Justice. With these telegrams in our hands, and with telegrams from Handy and letters from Osborne, the Chicago Tribune reporter went to Mr. Bielaski, and he wired the Chicago Tribune that Means was a liar; that he had never discussed, nor any of his agents had discussed, the question of looking up any securities or bonds, and the Chicago Tribune published that dispatch from Bielaski, and then Mr. Keen, one of the attorneys of the case, says, "Just turn over to the court there that correspondence and see whether Mr. Means is telling the truth." That is only part of it, and there is much more that we have sent for in Chicago to confirm what I say.

Now, in reference to the bonds, those bonds are still there—or they can be traced to the location of them.

Senator OVERMAN. Did you ever confer with Mr. Mitchell Palmer about them?

Mr. MEANS. No; I never did.

Maj. HUMES. "There"; where do you mean?

Mr. MEANS. Over in Chicago. They can be traced there. They were placed in Chicago. I think they moved them after I got there, and Bielaski came out with his statement in the papers.

Senator OVERMAN. Did Bielaski or the agents ever confer with you out there about where these bonds were?

Mr. MEANS. Judge Osborne advised me not to have anything to do with Bielaski under any circumstances, after that kind of a telegram. Mr. Handy, the agent in Greensboro on the western division, and Judge Osborne have those telegrams, and when Mr. Bielaski published such a telegram in the Chicago Tribune he, Osborne, said, "Do not have anything to do with them. They will tie you up in five minutes. They will say that you are handling German funds with the war going on."

Maj. HUMES. What did the bonds amount to?

Mr. MEANS. About \$20,000,000 or \$25,000,000, at the time I saw them.

Senator OVERMAN. Do you know what sort of bonds they were?

Mr. MEANS. Railroad bonds, some Canadian Government bonds, American corporation bonds, convertible securities. The Department of Justice knows about this question and the funds that came there, they know something about it. Their records will show that.

Maj. HUMES. To whom did these bonds belong?

Mr. MEANS. They really belonged to the German Government, or very close to the kaiser himself, or that group. The Department of Justice has the data about the time that the bonds reached Chicago, etc. They have some data on that subject. All they have got to do is look at the records.

Senator OVERMAN. Do you know in whose hands they were?

Mr. MEANS. Yes; I think I could locate them. I know in whose hands they were for a while.

Senator OVERMAN. In whose hands were they?

Mr. MEANS. I told you, Hiller's hands. I can trace that back I will write it for you.

Senator OVERMAN. Why write, if that will make it public?

Mr. MEANS. What you want to do is to locate the bonds.

Senator OVERMAN. That is what we want.

Mr. MEANS. Making it public would not enable you to locate them.

Maj. HUMES. Is it not a fact that some six weeks or two months ago in an interview with us you declined to tell us where the bonds were—in an interview with Capt. Lester and myself you declined?

Mr. MEANS. Yes, sir.

Maj. HUMES. And you decline to state now where they are?

Mr. MEANS. I decline to state that I know where they are. I think they could be located, but I do not know where they are. I believe you could start out with the parties that handled them, and I think I could move a step at a time. I declined to make a statement on advice of counsel. My counsel told me not to make it. He says, "Do not make it, for they will use it just like they used the other statements." He said, "No, he did not come in here to make a statement." Isn't that true? That is what my counsel advised me to do.

Capt. LESTER. You told me the name.

Mr. MEANS. I told you the name of the man?

Capt. LESTER. That you were going to in New York to get the information.

Mr. MEANS. Not on that thing. Not on the securities.

Capt. LESTER. That was my understanding.

Mr. MEANS. That was an entirely different proposition.

Maj. HUMES. And you said that you knew a man in New York that could furnish the information, and declined to disclose his name, and Capt. Lester asked you if it was not a certain man, mentioning the name, and then you admitted that it was.

Mr. MEANS. I gave you that on an entirely different subject.

Capt. LESTER. Was that on the subject of German bonds?

Mr. MEANS. No; that was not on the subject of German bonds.

Maj. HUMES. What subject was that on?

Mr. MEANS. It was the subject that you could be able to get hold of a good deal of data you ought to have from that party. And Capt. Lester told me that they had interviewed that party, and so forth, and since that time the reports of the interview with that party have fallen into my hands, and that interview was made by a man that I never saw in my life, was made by the intelligence department of the Department of Justice, who questioned that man.

Maj. HUMES. You saw some interview with the Department of Justice?

Mr. MEANS. I saw a statement where the questions asked this party—I saw the interview they had with him. I made it my business to get hold of the paper, because I was investigating another matter.

Senator OVERMAN. Go ahead.

Mr. MEANS. They can mention his name if they want to. I have no objection. While you are commenting on that, I want to show you how far the Department of Justice will go. Mr. John T. Dooling knows and Mr. F. I. Osborne knows that the Department of Justice has every piece of furniture—they took every piece of furniture—my wife's clothes and my little baby's clothes out of my apartment, and they hold them now.

Senator OVERMAN. I do not know that that has anything to do with this case that is now under investigation.

Mr. MEANS. Well, while I was in Chicago, after this instance happened, Mr. W. J. Burns asked me to help the War Intelligence Bureau in New York City.

Senator OVERMAN. When was this?

Mr. MEANS. Mr. W. J. Burns wrote me that he had talked to Col. Biddle.

Senator OVERMAN. When was this?

Mr. MEANS. While I was in Chicago.

Senator OVERMAN. In 1917?

Mr. MEANS. In 1918, while this trial was going on.

Senator WOLCOTT. Mr. Chairman, for my part, I do not want to see us get very far afield.

Senator OVERMAN. I want to stick to the German propaganda.

Senator WOLCOTT. Has that anything to do with what we are investigating?

Mr. MEANS. I am coming to Capt. Boy-Ed's papers, turned over to me.

Senator WOLCOTT. Can you come directly to it?

Mr. MEANS. All right. I thought you wanted these corroborative statements.

I forgot to mention that when I was buying those boats for Capt. Boy-Ed, the Germans sent me to Mr. Burns to try to employ his agency. I had an interview with him one night in his office, and told him to name his fee. He said that he would not work for them under any circumstances for any fee.

Senator WOLCOTT. This was when? Before you left the employ of Boy-Ed?

Mr. MEANS. Yes; before I left the employ of Boy-Ed. They had tried to employ him through me, and I met him in his office one night.

Senator WOLCOTT. Mr. Burns has been more careful not to get in the employ of the Germans than you were.

Mr. MEANS. Yes; I had worked for the Germans before. I was handling purely commercial transactions. I was reporting every bit of anything at any time that was detrimental to the United States as fast as I learned it—every piece of information that I got. Well, Mr. Burns wrote me a letter while I was in Chicago and told me that Mr. Biddle, in charge of the War Intelligence Bureau in New York, had sent for him and told him that I could furnish him, he thought, some information pertaining to some German papers, etc. And Mr. Burns wrote and asked if I could, and if so, if I would so advise him. I wrote him back and said that I would be glad to go to New York and furnish any information that I had, but that I could not come right then. This case was going on. This is the letter that I received from the War Department, Office of Military Intelligence:

WAR DEPARTMENT,
OFFICE OF MILITARY INTELLIGENCE,
ROOM No. 806, 302 BROADWAY,
New York City, August 2, 1918.

Mr. GASTON B. MEANS,
Chicago, Illinois.

MY DEAR MR. MEANS: Mr. W. J. Burns informs me that he wrote you a letter at my request in regard to a certain subject that the Government is rather interested in. I am giving this letter to Captain Lloyd of this office who is going

to Chicago on another matter, but I thought that if the opportunity arose, he had better communicate with you in order to let you know more definitely what it is we are anxious to have your assistance in.

Very sincerely yours

(Sgd)

NICHOLAS BIDDLE
Major, N. A.

When Capt. Lloyd came, he came to the Congress Hotel, and got in touch with me; and he handed me that letter of introduction and wrote his name on a piece of paper, Capt. Lloyd, 302 Broadway, New York City; and he took up with me the question of getting hold of Boy-Ed's papers, and said he understood that I had the papers, etc., and would I be willing to turn them over to the United States Government. I told him that I would be glad to turn these papers over to the United States Government. Later we came to Washington and saw Mr. Tumulty in reference to the papers, etc., and I secured the papers and turned them over, and I am advised by counsel this morning that the committee had better go into executive session to hear the rest of that, what happened, etc.

Senator OVERMAN. Between you and him?

Mr. MEANS. About the papers and the details of it.

Senator WOLCOTT. As to how they were secured; where they were; who got them?

Mr. MEANS. Yes; who got them, etc.

Senator OVERMAN. What became of them?

Mr. MEANS. I turned them over to Capt. Lloyd.

Senator WOLCOTT. That is the only material fact, that you turned them over?

Mr. MEANS. Yes.

Senator OVERMAN. Where are they now?

Mr. MEANS. I think in New York City.

Senator WOLCOTT. In the custody of the Department of Justice?

Mr. MEANS. I do not think so. They may be. The Department of Justice may have something to do with them.

Maj. HUMES. Do you know where they are?

Mr. MEANS. Yes; I think I know where they are.

Maj. HUMES. How recently have you discussed where they are?

Mr. MEANS. I discussed—soon after, Mr. Becker sent for me, subpoenaed me, had Capt. Lloyd make an appointment with me to have lunch, and when I got there to the point to have the lunch Mr. Becker slipped a subpoena on me and told me to come to his office. I did so, and then he sat down and read a statute to me and told me that if I talked about the papers—read the entire statute to me—and says, "If you discuss these papers or anything that takes place in this interview here, why, we will have you indicted." And I said, "What kind of proceedings are these?" He said, "It is a kind of grand jury proceeding." And I said, "By what authority am I subpoenaed here?" And he said, "Never mind, but listen to that statute very carefully." and he read it to me again, and I said, "You mean to say that I can not say anything about being subpoenaed up here?" And he said, "No; you can not say anything about being subpoenaed up here." And I said, "Does this statute have jurisdiction in New Jersey or in Washington?" And he replied, "You have too much *epartee* about you." And I said, "I guess after I get down before the committee I can tell anything I please, can't I?"

Senator OVERMAN. He examined you?

Mr. MEANS. Oh, yes; a very grilling examination, and then he went on to tell me that his authority was greater than the authority of the United States Government; that his department had authority that was greater than the authority of the United States Government.

Senator WOLCOTT. Than this committee?

Mr. MEANS. Than this committee had.

Senator WOLCOTT. He had greater authority?

Mr. MEANS. His authority was greater than the authority of the United States.

Maj. HUMES. Where did this conversation take place?

Mr. MEANS. In his office.

Senator OVERMAN. Did he ask you about these papers?

Mr. MEANS. Asked me all about the papers, and then he pulled out a ledger and referred to it and said, "Ah, ha; you received money from the Germans such and such a date. The book says so." I said, "I do not care what the books say."

Senator OVERMAN. Did he ask you about these papers?

Mr. MEANS. Yes.

Senator OVERMAN. Did you tell him anything about the papers or what you did with them?

Mr. MEANS. Yes; I told him what I did. Capt. Lloyd has talked with me since about the papers.

Senator OVERMAN. What did he say about that?

Mr. MEANS. He said—you had better give me an opportunity in executive session to tell what took place there.

Senator WOLCOTT. I do not see that what was said there was anything at all material to this. You mean to say that you had the papers and you turned them over to the Government?

Mr. MEANS. To Capt. Lloyd.

Senator WOLCOTT. It strikes me that that is all that is material.

Maj. HUMES. Did you make a correct statement of the facts to Mr. Becker in that testimony at that time?

Mr. MEANS. Yes; in substance, correct, as I remember it; yes. I didn't tell him anything I didn't want to tell him. He told me that. At first he reprimanded me about my not turning these papers over a long time previous to that, the moment we declared war, and asked why I didn't turn them over.

Senator WOLCOTT. Why is the story about the turning over of these papers such an important matter as to require an executive session?

Mr. MEANS. I am just advised by a lawyer that it is.

Senator WOLCOTT. Is your lawyer here?

Mr. MEANS. No; not this one that gave me this advice. This conversation just took place this morning.

Senator WOLCOTT. I do not know whether it is proper for an executive session or an open session.

Senator OVERMAN. I can not understand why it should be an executive session.

Senator WOLCOTT. I would like to have some reason why it should be an executive session.

Mr. MEANS. Do you want me to tell the details of the papers?

Senator OVERMAN. We would like to find out where the papers are. It seems that no one but two or three has seen them.

Mr. MEANS. Capt. Lloyd saw them. I had the entire batch once and went to St. Mary's College at Belmont, N. C.—the Boy-Ed papers and affidavits. I can secure the affidavit to show that Capt. Lloyd met me some time after October 16; between that and the 30th.

Senator WOLCOTT. Before you proceed with that, Mr. Means, who is the lawyer that gave you this advice?

Mr. FRED J. COXE. I may say that I am the attorney, and I consider it very vital that this committee get hold of those papers, and I do not think that his publicly stating here anything about the details of those papers will help this committee to get them.

Senator WOLCOTT. Did you give him that advice this morning?

Mr. COXE. I talked with him about that.

Senator WOLCOTT. There seems to be another lawyer who gave similar advice. Who is that?

Mr. MEANS. He was talking with me about this, and he said, "If the committee wants the papers, I should think the Government ought to have them."

Senator WOLCOTT. I want to know who this other lawyer is that gave you this advice.

Mr. COXE. Mr. Means may have been referring to me at all times.

Senator WOLCOTT. No; he looked around and said "the other lawyer isn't here." Who is he, Mr. Means?

Mr. MEANS. I will give you his name there.

(The witness here made a memorandum and handed it to the chairman.)

Senator OVERMAN. Do you think, Mr. Coxe, that it should be given to an executive session and ought not to be made public?

Mr. COXE. I do not think it ought to be made public. I have gone into it very carefully with Mr. Means. I think the testimony he would give in an executive session would enable you to get those papers. I do not think that making them public will prevent your getting them, but I think it will militate against getting them. I think you would have a much harder time.

Senator WOLCOTT. The suggestion, then, is based upon an interest in securing the papers, not because there is any desire to do things secretly.

Mr. COXE. There is no desire to keep the matter secret, but the papers will divulge a great deal of stuff that corroborates Mr. Means, and a great deal of other stuff that will be of interest to the Government. I am afraid that if it is made public, the proper authorities will not get hold of them.

Senator OVERMAN. Come with us, and we will go into another office across the way.

(Thereupon, at 1.30 p. m., the subcommittee went into executive session. The proceedings in this executive session were not stenographically reported. At 3.25 o'clock p. m. the subcommittee resumed its open session.)

Senator OVERMAN. The committee have had an executive session and have heard the evidence in question proposed to be given in this proceeding, and have ruled, as they did before, that they would confine the testimony to the German propaganda and activities of the brewing and liquor interests, and we do not think that this is competent evidence in this hearing, although it might be in another proceeding. Therefore we rule it out.

I will ask Senator Nelson now to take the chair for a time. There is another witness, and there is some other evidence that we want to have put in this afternoon.

Senator NELSON (acting chairman). Capt. Lester, will you take the stand?

TESTIMONY OF CAPT. GEORGE B. LESTER—Resumed.

Maj. HUMES. We submit the record of the depositions showing the German loans that were made in this country.

Senator NELSON. Will you read that, or is it too long to be read?

Maj. HUMES. Each item is very short. There are a number of items, but each one is covered in a very few sentences. It is very well digested.

Senator NELSON. Proceed, Captain.

Capt. LESTER. This is the deposition of Carl Heynen, who came to this country in April, 1915, for the purpose of assisting Dr. Albert in carrying on the commercial and financial affairs of the German Government. Heynen's main work for Dr. Albert was assisting in the purchasing of shipments of goods to Germany, by way of Sweden, Switzerland, and Holland, from the United States, and to charter or buy vessels for that purpose.

The deposition also contains the testimony of Borgemeister, the bookkeeper of the Albert office, who had immediate charge of the records of all of the financial transactions, and who took care of the bank accounts and disbursing of funds under Dr. Albert's direction, his position being largely clerical.

This deposition was taken on October 6, 1918, and purports to be a computation made up by Mr. Borgemeister and Mr. Heynen of actual cash that passed out through Dr. Albert's office, and the purpose for which the money was used, and, in most cases, the source from which the money was obtained. [Reading:]

NO. 1. LOAN FROM KUHN, LOEB & Co., \$400,000.00.

Q. Mr. Borgemeister, was there a loan to Dr. Albert's office of \$400,000.00 from Kuhn, Loeb & Company?—A. Yes.

Q. Was that upon collateral?—A. It was on collateral, deposited at the office of M. M. Warburg, Hamburg.

Q. What was the collateral, and how did you raise the loan? What rate did you have to pay &c?—A. The collateral, as far as I recollect, is something like twenty or twenty-five million marks, the interest was 6 per cent, and Albert obligated himself to maintain the balance of any loss than two hundred thousand dollars at Kuhn, Loeb & Company.

Q. This was the first loan you made?—A. The first loan Dr. Albert made.

Senator NELSON. What was the date of that?

Capt. LESTER. The date of that loan, Senator, is not given here, but the testimony given by Mr. Becker, which covers this loan, placed the date, as I recall it, in either September or October of 1914, shortly after Dr. Albert had come over here. That can be verified by reference to Mr. Becker's testimony, where he had the exact date and the details of the loan. [Reading:]

Q. Why did you go to Kuhn, Loeb & Company?—A. Kuhn, Loeb & Company we considered the natural bankers of the German Government and the Reich-bank.

Q. Why?—A. On account of the affiliation of M. M. Warburg & Company, Hamburg and the Reichbank—having done considerable business prior to the war.

Q. Was that loan re-paid?—A. Yes.

Q. At its maturity?—A. Yes.

ITEM NO. 2. LOAN FROM THE SUEDEDEITSCHER DISCONTO-GESELLSCHAFT (THROUGH JOHN SIMON) \$1,300,000.00.

Q. Mr. Borgemeister, did Dr. Albert's office make any such loan from the Sueddeutsche Disconto-Gesellschaft?—A. Yes.

Q. Was that one loan?—A. The loan was made in three different amounts; first \$300,000.00, second, \$500,000.00 and third \$500,000.00.

Q. What purpose was that applied to, do you remember?—A. In order to secure funds required here for making shipments?

Q. Where was that loan negotiated? Here or abroad?—A. Negotiated through John Simon, who acted as agent of the Sueddeutsche Disconto-Gesellschaft.

Senator NELSON. Was that a company located here or in Germany?

Capt. LESTER. That was in Germany. [Reading:]

Q. Was that loan re-paid?—A. Yes, the \$300,000.00 was repaid through our office. One million dollars was paid upon instructions from our office to our principals in Berlin. An arrangement to that effect had been made with Mr. Simon.

Senator STERLING. I do not quite understand yet, who made the second loan of \$1,300,000.

Capt. LESTER. That was the Sueddeutsche Disconto-Gesellschaft.

Senator NELSON. "Gesellschaft" means "Company"?

Capt. LESTER. Yes, sir. It means the South German Banking Co.; I suppose that would be a freer translation of it.

Senator STERLING. That was in Germany?

Capt. LESTER. In Germany. The loan was made to Albert through the intermediation of John Simon, the man who was afterwards mixed up with the Atlantic.

Senator STERLING. Then it was not American money that went into this loan?

Capt. LESTER. Not in that loan; no, sir. [Reading:]

ITEM NO. 3. LOANS FROM THE CHASE NATIONAL BANK, \$3,000,000.00.

Q. Dr. Albert's office borrowed money from the Chase National Bank?—A. Yes.

Q. To the amount of \$3,000,000.00?—A. Yes, approximately.

Q. Was that one loan or more?—A. Three or four different loans, the total aggregating about \$3,000,000.00.

Q. Briefly, what are the different loans?—A. The loans were against cotton in all instances. One loan about eight hundred or nine hundred thousand, and the other a like amount, and the third was four hundred thousand dollars, and the fourth approximately seven hundred to eight hundred thousand dollars.

Q. The first two loans concerned the cotton transaction in which the Southern Products Company was in?—A. Yes.

Q. Has that sum been re-paid?—A. The entire amount has been paid.

ITEM NO. 4. LOANS FROM THE MECHANICS & METALS NATIONAL BANK, \$1,000,000.00.

Q. Did you make any such loan, Mr. Borgemeister?—A. Yes; two different loans of something like five hundred thousand dollars each.

J. On collateral?—A. No, except the last one was made against moneys due us in Berlin. We had moneys at the Deutsche Bank, and requested the Deutsche Bank to deposit to the account of the Mechanics & Metals National Bank, and borrowed against such deposit.

Q. Has that loan been re-paid?—A. Yes, entirely.

The Mechanics & Metals National Bank is in New York City?

Senator NELSON. Yes.

Capt. LESTER (reading):

ITEM NO. 5. LOAN FROM G. AMSUNCK & COMPANY, \$400,000.00.

Q. Did you make any such loan, Mr. Borgemeister?—A. I believe I am right when I say \$400,000. It may have been less—\$300,000, and the amount was paid back subsequently.

Q. Was that on collateral?—A. I recollect that there were German dollar treasury bills.

Q. And that loan has been paid?—A. Yes, sir.

Item No. 6. LOANS FROM THE EQUITABLE TRUST CO.

(" KINA ") \$1,800,000.00.

Q. What was this loan?—A. The loan was made in the form of a credit rendered by the Equitable Trust Company, in order to finance the cotton shipment aggregating about \$1,800,000.00.

Q. Was Albert's office alone interested?—A. No, sir,

Q. Who else?—A. The parties interested in it were the Deutsche Bank, Tiedeman & Company, Fort Worth, Texas and the Zentral Einkaufs-Gesellschaft; each party assuming one third of the transaction.

Q. What was that shipment?—A. Shipment of cotton?

Q. What place was it intended for?—A. Holland.

Q. To go through Germany?—A. No, to stay in Holland and disposition to be taken later by interested parties.

Q. The ultimate destination was Germany?—A. Yes.

Q. Did it get to Germany?—A. No, sir, it went as far as an English port although it had the assurance of Mr. Richard Crawford, according to Mr. Rose of the Department of State that that cotton shipment, in view of the fact that it had been inaugurated before the British Counsel Order came out—it should be unmolested.

Q. What occurred to the cargo?—A. Great Britain forced the discharge of the cargo and the sale of same in Great Britain.

Q. With what result as to terms?—A. The money was transferred to New York and the loan was paid and expenses were covered.

Q. The return was made back to you by the British Government?—A. Yes, to Tiedeman.

Q. The shipment was made in the name of Tiedeman?—A. No, in the name of some Savannah concern.

Q. The Deutsche Bank and Albert's office did not appear?—A. No.

Q. So that transaction washed itself?—A. Yes.

ITEM NO. 7. LOAN FROM THE GUARANTY TRUST COMPANY, \$450,000.00.

Q. Was there such a loan, Mr. Borgemeister?—A. Yes, sir.

Q. And how was that financed?—A. It was a ninety days credit to us or our nominee. In this case to Mr. Theodore R. Lemke, and after ninety days they were paid.

Q. Was that on collateral?—A. No, there was no collateral: the guarantee of the Deutsche Bank.

Q. In other words the Deutsche Bank guaranteed your account?—A. Quite correct.

Q. That sum was repaid?—A. Yes.

ITEM NO. 8. LOAN FROM THE BANKERS TRUST COMPANY. \$250,000.00.

Q. Was there such a loan?—A. Yes. That is the same as the other previously explained.

Q. Passed through Lemke?—A. No, L. Wolff & Company were the beneficiaries. It was also paid.

Q. Has that been closed out?—A. Yes.

ITEM No. 9. PROCEEDS OF TREASURY NOTES PLACED APRIL 1, 1915, \$7,000,000.00.

Q. How was that amount released?—A. By the sale of Imperial German treasury dollar notes.

Q. What were those notes?—A. The notes ran nine months, countersigned by the Ambassador or his attorney.

Q. Any collateral behind them?—A. No collateral; the guarantee of the German Government.

Q. With what banks was it raised or how was it raised?—A. The private banking house of—There is a mistake or misprint here in this testimony.

Senator NELSON. You might go on with the rest and supply it later.

Capt. LESTER. It is repeated further over. The right name is here. [Reading:]

The private banking house of Blank, incorporated; the notes were sold to various purchasers in the United States.

Q. Were those the notes that you sold more to Americans than Germans?—A. Quite correct. There was a better market among American people than German-Americans.

Q. Has that loan been repaid?—A. Yes, on the 1st of January, 1916.

Senator NELSON. Why do you leave the blank there?

Capt. LESTER. The name is wrong, Senator.

Senator NELSON. All right.

Capt. LESTER. They have made a name here that is not correct.

Senator NELSON. You will supply that later?

Capt. LESTER. Yes; I will supply that in just a minute, when I come to it. They are the same people who handled another one. [Reading:]

ITEM No. 10: PROCEEDS OF TREASURY BILLS, PLACED JUNE 1, 1916, \$3,600,000.00.

Q. Was there any such sum as that realized?—A. Yes, sir.

Q. What were the treasury bills?—A. The treasury bills were different from the treasury notes inasmuch as they were in the form of a bill of exchange and discounted instead of the coupon bonds. In other words, the discount was immediately subtracted from the amount of the sale.

Q. Was that fund repaid?—A. Only a part of it was renewed—\$2,600,000.00, approximately, and \$1,000,000.00 was repaid on March 1, 1917, at maturity.

ITEM No. 11. PROCEEDS OF TREASURY BONDS, PLACED IN 1915, 1916, \$1,300,000.00.

Q. Mr. Borgemeister, what are these?—A. They were treasury notes—coupon notes—due on the 1st of September, 1918. They were sold principally to insurance companies.

Q. Was that going on in 1915?—A. Well, yes. Part of 1915 and part of 1916.

Q. What were those? You say "sold to insurance companies principally"—A. Obligation of the German Government in form of a coupon note.

Q. That was issued here?—A. Yes.

Q. And no collateral behind that beyond the promise of the Government?—A. Beyond the promise of the Government.

Q. These last three transactions here (Nos. 9, 10 and 11) seven million, three million seven hundred thousand and one million three hundred thousand were on the promise of the German Government?—A. Yes.

Q. And on that alone?—A. Yes.

ITEM No. 12. REMITTANCE FROM THE REICHSBANK FOR ACCOUNT OF THE ZENTRAL-EINKAUF'S GESELLSCHAFT, \$3,500,000.00.

Q. What do you mean by that?—A. The Zentral Einkaufs-Gesellschaft requested the Reichsbank at various intervals to make payments to our office, and the total aggregate about \$3,500,000.00.

Q. How did you obtain these remittances? Direct from the Reichsbank?—A. They would instruct their correspondents here in New York to make the payment to us.

Q. Was that upon any obligation here made by Dr. Albert's office to repay that?—A. No; it was really an obligation made in Germany. The Zentral Einkaufs-Gesellschaft arranged with the Reichsbank over there.

Q. So Albert's office had nothing to do with the preliminaries or the contracts by which that sum was raised?—A. No. They might have instructed or requested the Zentral Einkaufs Gesellschaft to make such claim.

ITEM No. 13. REMITTANCE FROM THE REICHSBANK FOR THE REDEMPTION OF THE TREASURY NOTES OF APRIL 1, 1915, \$7,000,000.00.

Q. How was that made, Mr. Borgemeister?—A. The Reichsbank made the remittance through the Guaranty Trust Company, I believe for the payment of the notes maturing the 1st of January, 1916.

Q. And this was to pay the previous item of these notes, April 1, 1915?—A. Correct.

Q. And that fund was applied toward that payment?—A. Yes, quite correct.

Senator STERLING. That refers to the \$7,000,000 Treasury notes previously mentioned?

Capt. LESTER. Yes; the redemption Treasury notes they floated here. [Reading:]

ITEM No. 14. REMITTANCES FROM THE REICHSBANK FOR ACCOUNT OF THE BRIDGEPORT PROJECTILE COMPANY, \$1,200,000.00.

Q. How was that fund placed, Mr. Borgemeister, so it was available?—A. The Reichsbank apparently made an arrangement with the Deutsche Bank to place the amount in monthly installments to the credit of Dr. Albert, and the funds were received to the extent of \$1,200,000.00.

Q. Now, did your office here have to do with making that arrangement in any way? I mean to get it from the Reichsbank?—A. I don't recollect.

Q. Arrangement for this million two hundred thousand dollars, was that made by your office here?—A. It was suggested here.

Q. What was done with that fund of one million two hundred thousand dollars paid over to the Bridgeport Projectile Company?—A. Mr. Heynen: It was used as part of the payments which became due to the Bridgeport Projectile Company, as per our contract with them.

Q. What was that contract, Mr. Heynen?—A. For the manufacture of two million shrapnel cases.

ITEM No. 15. REMITTANCE FROM THE ZENTRAL-EINKAUF'S GESELLSCHAFT (THROUGH JOHN SIMON), \$650,000.00.

Q. Was there such a remittance?—A. Yes, sir.

Q. And how did that come to reach you through John Simon?—A. Apparently the Zentral Einkaufs Gesellschaft made a transfer in Germany through the Sueddeutsche Disconte Gesellschaft, Mr. John Simon being the agent of the Sueddeutsche Disconte Gesellschaft, we got it through him. Probably they had code arrangements.

Q. Did your office have to do with negotiating this?—A. Oh, yes, we requested the Zentral Einkaufs-Gesellschaft.

Q. Where was the arrangement made?—A. On the other side.

Q. In other words, you suggested to your principal on the other side, and they arranged it over there?—A. Yes.

Q. What you got was the remittance?—A. Yes, \$650,000.00.

ITEM No. 16. REMITTANCES FROM THE DEUTSCHE BANK FOR ACCOUNT OF THE ZENTRAL-EINKAUF'S GESELLSCHAFT, \$1,200,000.00.

Q. What does that refer to?—A. We received in two different amounts; one time one million dollars and another time two hundred thousand dollars from the Deutsche Bank for the account of the Zentral Einkaufs-Gesellschaft through Hugo Schmidt.

Q. That was a payment through Hugo Schmidt?—A. Yes. The Zentral Einkaufs-Gesellschaft used that channel in order to make payment.

Q. Funds were raised on the other side?—A. Yes.

Q. That includes all of the items?—A. Yes, includes the source of money—

Q. Were any one of these loans or proceeds or remittances based upon a negotiation here with collateral pledged here for those loans?—A. Yes.

Q. Which one?—A. The Chase National Bank.

Q. Three million dollars?—A. Yes; the Mechanics and Metals partly against collateral and partly against obligation of the German Empire. G. Amsinck against collateral; the Equitable Trust Company against collateral; the Guaranty Trust Company was against the credit of the Deutsche Bank, and the Bankers Trust Company was against the credit of the Deutsche Bank.

Q. Now, this makes a total of \$34,050,000.00?—A. Yes.

Q. That is the best recollection of yourself and Mr. Heynen as to the actual receipts of Dr. Albert's office?—A. Quite right.

Q. And that you have computed here with me during the day?—A. Yes, sir.

Q. You and Mr. Heynen have, together, during the day computed the disbursements?—A. Yes.

Q. And you prepared for me a schedule of the amounts?—A. Yes, sir.

Q. 1st. Repayment of loan to Kuhn Loeb & Company \$400,000.00. That is the repayment of the first receipts—A. Yes.

Q. 2nd. Repayment of part of loan of the Sueddeutsche Disconto Gesellschaft, \$300,000.000. That is a part of the second item of receipts, is it not?—A. Yes.

Q. The remaining million being carried for the other side?—A. Carried for instructions to be paid by our principals in Europe.

Q. 3rd. Repayment of loans to the Chase National Bank three million.—A. Yes.

Q. That is repayment of receipts already mentioned?—A. Quite correct.

Q. 4th. Repayment of loans to the Mechanics and Metals National Bank \$1,000,000.00. That represents repayment of the receipts of item 4?—A. Quite correct.

Q. 5th. Repayment of loan to G. Amsinck & Company, \$400,000.00. That is the repayment of item 5 receipts?—A. Yes.

Q. 6th. Repayment of loan to the Equitable Trust Co., \$1,800,000.00. That is repayment of receipts of item 6?—A. Yes.

Q. 7th. Repayment of loan to the Guaranty Trust \$450,000.00?—A. That is repayment of receipts of item 7.

Q. 8th. Repayment of loan to Bankers Trust, \$250,000.00?—A. Repayment of item 8 receipts.

Q. 9th. Redemption of treasury notes, placed April 1, 1915, \$7,000,000.00?—A. That is repayment of item 9 receipts.

Q. 10th. Part redemption of treasury bills, placed June, 1916, \$1,000,000.00?—A. Part of item 10.

Q. What became of the item?—A. Still owing.

Q. That leaves \$2,600,000.00 still outstanding of German treasury bills?—A. Yes.

Q. 11th. Remittances for account of and to the Reichsbank in dollars and in marks \$3,000,000.00. What does that represent?—A. We had at times, especially when we came towards liquidating our business, in the year 1916, quite considerable excess funds in New York. In order to assist the Reichsbank, we gave them dollars.

Q. Just what do you mean by that?—A. The Reichsbank required—the dollar exchange being the New York medium of payment at that time, and we had a desire to help the Reichsbank as much as possible to liquidate the debts—

Q. (interposing). Did that apply or was it to be applied upon any remittance that was to be made to you by way of receipts?—A. No; no particular remittance.

Q. Was it to be applied to any receipts generally?—A. Yes; to the receipts generally.

Q. In other words, it was a repayment to the Reichsbank of three million dollars on account of remittance that had been made to you by the Reichsbank?—A. Quite correct.

Q. 12th. Payments to and for account of the Embassy, Washington, \$2,500,000.00. How were those payments made, and what did they represent?—A. They were paid either for account of von Bernstorff to his bankers—partly to Kuhn, Loeb and Company and a part to the Corn Exchange. From time to time the Embassy would give instructions to make payments to various attachés. The account of the Embassy would be debited with such payments.

Q. Was there any accounting back to Dr. Albert's office as to what was done with the funds?—A. No. As soon as we paid it by the instructions of the

Embassy, we closed our transaction. The accounting will very likely or have taken place in Berlin.

Q. Was there anything in Albert's office to show to what the \$2,000,000.00 was applied by the Embassy?—A. No, sir.

Q. Was that a check upon the account by the Embassy?—A. No. We got instructions to make such payment by the Embassy, or make such a deposit, or whatever it would be.

Q. What would the books of Dr. Albert's office show?—A. Paid by instruction of Embassy such and such a date and so and so much.

Q. And would it end with that entry?—A. Yes.

Q. You can't tell us what was done with it?—A. No, sir.

Q. Next item, 13th. Payments to the Bridgeport Projectile Company, \$2,500,000.00?

Mr. HEYNEN. Those aggregate the payments to the Bridgeport Projectile Company, in accordance with original contract with them, and the final accounting of contract and for extra machinery which they still hold for us.

Q. Next item, 14th. Total value of shipments of merchandise to Europe during 1914, \$3,600,000.00. That represents what kind of merchandise?—A. Principally grain and flour.

Q. Who were they shipped through, in a general way?—A. Through Larsen and through Peterson. They were shipped to Copenhagen.

Q. Did your office have any interest in the company or shippers in any way?—A. I believe we had once some small amount with Larsen & Company.

Q. Would you say those were confined wholly to Larsen and Peterson?—A. I think so.

Q. Item 15th. Value of cotton shipment by Steamship *Eir*, \$800,000.00. Who was it that handled that transaction?—A. L. Wolff & Company, and he had somebody else interested in the transaction on a commission basis for himself.

Q. That was a shipment to what port?—A. To Gothenburg and Copenhagen. The ship reached Gothenburg and delivered part of the cargo in Gothenburg and on her way to Copenhagen she was captured by a German submarine and taken into Kiel.

Q. Did you get a return on that?—A. No, sir; we did not receive a return. The cotton was sold, I presume by the Zentral Einkaufs-Gesellschaft, and the proceeds were not sent back to us.

Q. But it was handled by your principals on the other side?—A. Yes.

Q. That transaction you think was wholly through L. Wolff & Company?—A. Yes.

Q. Item 16th. Value of grain shipment by Steamship *Eir*, \$500,000.00. What was that?—A. That's approximately the value of the *Eir* grain shipment by John Simon or the Southern Products Trading Company.

Q. What was the grain?—A. Barley and wheat.

Q. Was that one and the same shipment with the cotton?—A. No; two different shipments. The ship came back and took another cargo.

Q. Which one went first?—A. The grain cargo went first.

Q. And she came back and went over with a cotton shipment, and then she was captured?—A. Yes.

Q. Did you get the return on this shipment of grain by the *Eir*?—A. No, sir. It was either sold in Scandinavia or they received the shipment in Germany. We do not know the final disposition of the cargo.

Q. 17th. Value of miscellaneous cargo by Steamship *Maumee* of \$500,000.00. What do you mean by "miscellaneous cargo"?—A. That cargo consisted partly meat, I believe, and there was some lard and some cottonseed cake. I think those were the principal.

Q. Who were the shippers?—A. Goldsmith & Company.

Q. Did you have any transaction with Goldsmith & Company?—A. Some cotton and rubber purchasing.

Q. How did you arrange the financing of that detail through Goldsmith?—A. At that time we had in our possession some American securities—bonds. We gave Goldsmith & Company the advantage of these securities, and they borrowed money against securities and used it to pay for the merchandise and finance the transaction.

Q. Is that represented in the receipts?—A. The proceeds of the contract are represented in the expenditures.

Q. You mean by proceeds—it did not come back, there was no remittance from the other side?—A. No remittance from the other side.

Q. 18th. Value of miscellaneous cargo by Steamship *Winnecoune* \$100,000.00. What was that cargo?—A. Bean cake and macaroni sent by the Southern Products Trading Company.

Q. Did they have all the cargo—the Southern Products Company?—A. It was a part cargo.

Q. I mean all of the shipment?—A. Yes, I think they had.

Q. In other words, the whole hundred thousand was handled through the Southern Products Trading Company?—A. Yes.

Q. 19th. Value of miscellaneous cargo by Steamship *Fordney*, \$390,000.00.—

A. That was a miscellaneous cargo, consisting of miscellaneous types of fodder.

Q. Who was that sent from?—A. K. & E. Numond made the shipment. I don't recall who was the actual shipper.

Q. This represented the amount you had actually paid out for that cargo?—A. Yes.

Q. Was there any remittance for that cargo to your office here?—A. No.

Q. How was it handled on the other side?—A. She was taken in by the British and arrangements—either it condemned—it was not entirely condemned but was to be settled after the war. Lindheim would know as to the present status.

Q. The Prize Court took the entire cargo?—A. The Prize Court either took it and sold it and still has the proceeds over there, or they have made the remittance—that we can't tell, but not to us.

Q. Did their seizure affect the ship at all?—A. No, the ship was released immediately.

Q. So there is pending a claim against the British Government for the amount of return on the sale of this cargo?—A. To my best recollection; yes.

Q. Then that would be a claim now that would be due to Albert's office, if collectable for the amount that the British Government received upon the sale through the Prize Court?—A. Due to the Zentral Einkaufs-Gesellschaft.

Q. You told me that Dr. Albert's office had nothing to do with the ship itself?—A. Nothing in this instance.

Q. Did it in any other instance?—A. Prior to that, yes. The ship was chartered by the American Exporters Line, and its operation was more or less guaranteed by Dr. Albert or the Zentral Einkaufs Gesellschaft.

Q. What was that transaction?—A. It resulted from our desire to see as many ships ply between the United States and Scandinavian countries after the war was declared. Most of the ship owners were scared to run to Scandinavian ports, and for that reason we decided that such a line should be brought into existence. This ship was one of the few ships chartered for the purpose.

Q. By whom?—A. By Phelps Brothers and Company as the operators of the American Exporters Line.

Q. Chartered to whom?—A. Chartered to the American Exporters Line.

Q. What was the American Exporters Line?—A. A line incorporated apparently by Phelps.

Q. And he was the agent?—A. Yes.

Q. Did Albert's office have any financial value in the ship?—A. Yes.

Q. What was the value?—A. You mean the financial value?

Q. In the ship; yes.—A. No. It had committed itself to a guarantee to see that no loss should be incurred on the charter. Albert guaranteed the charter, and any profit or loss would have been made up or received by Albert.

Q. Did Albert's office pay out anything?—A. Yes.

Q. Now, then, did Albert's office have any invested value in the *Winnecoune*?—A. No.

Q. Or in the *Maumee*?—A. No.

Q. Or in the *Eir*?—A. Yes; the Zentral Einkaufs-Gesellschaft owned the ship.

Q. By a payment made here?—A. No; in Scandinavia.

Q. Was that payment made out of your funds here?—A. Yes.

Q. Next item, 20th. Balance of value of miscellaneous cargoes by Steamship *Amor* and Steamship *Newton*, first voyage, \$250,000. What was this cargo on the *Amor*?—A. Grains.

Q. Who were the shippers?—A. The Southern Products Trading Company was one.

Q. Who was the owner of the cargo?—A. The owner of the cargo was Albert, in the name of the Southern Products Trading Company—the Zentral Einkaufs-Gesellschaft.

Q. Did you tell me what the cargo was?—A. Consisted of various grains.

Q. What was the cargo on the *Newton*?—A. Also a grain shipment.

Q. What was the amount that was invested, as near as you can recollect in each one?—A. About between four hundred to five hundred thousand dollars.

Q. What do you mean by "balance of value" in here?—A. The cargoes were sold in Italy and France, and the proceeds were sent partly to the United States, finding its way back to our office, and I understand partly were sent before Italy went into the war with Germany.

Q. Part of the proceeds remained on the other side?—A. Yes.

Q. You charged it here as a disbursement of \$250,000.00?—A. That is the remaining balance still on our books.

Q. It represents the amount paid on account of the cargo?—A. Yes; we did not receive the tonnage.

Q. Did you receive the tonnage for any portion of this?—A. Yes; for the balance.

Q. Next item, 21. Book value of Steamship *Eir*, \$300,000.00. What does that represent?—A. The account of the Steamship *Eir* was credited with the net freight the ship was earning, and the account was reduced to that extent. In other words, something like a hundred thousand dollars was credited to the book value.

Q. In other words, the ship had cost practically four hundred thousand dollars?—A. Yes.

Q. But with the return from the ship its book value had been reduced to \$300,000.00?—A. Quite correct.

Q. So that's what you carry on your books as your net outlay on account of the ship?—A. Yes.

Q. Next item 22. Purchase price of sailer *Manga Rera*, \$320,000.00.

Mr. HEYDEN. That was the original cost of the ship.

Q. And that was paid out by Albert's office?—A. (Mr. Heyden). Yes.

Q. That shipment was under the name of the Brynhilda Corporation?—A. (Mr. Heyden). Yes.

Q. Next item 23. Purchase price of the sailer *Brynhilda* \$200,000.00. Do you know about that, Mr. Heyden?—A. Yes; we wanted to obtain possession of the company in order to incorporate. Therefore we purchased the stock at the stated price and thereby acquired the sailing vessel under the same name.

Q. And that was cash paid by Albert's office?—A. Yes.

Q. 24th. Purchase price of the Steamship *Callao*. Do you know about that, Mr. Heyden?—A. That was the amount we paid.

Q. That was paid by Albert's office?—A. Yes; to Numond & Company.

Q. 25th. Part purchase price of the Steamship *Neptune*, \$100,000.00. Do you remember about that, Mr. Heyden?—A. I remember paying that much for the vessel, which was finally turned into the Brynhilda Shipping Company.

Q. And the balance of the ship was bought?—A. That I don't recall.

Q. The balance was bought by the payment of about \$32,000.00?—A. I know they intended to.

Q. 26th. Loss on purchase and sale of the Steamship *Zeleandia*, \$120,000.00. What was the purchase price of the *Zeleandia*?—A. She was before my time, but according to the books \$300,000.

Q. And you sold it for what?—A. \$100,060 we obtained as refund from the agent who acted in the original purchase for Mr. Albert.

Q. Who was that? Sulzberger Sons?—A. As far as I recall, Sulzberger & Company.

Q. Next item, 27. Loss on operation of various steamers of the American Exporters Line, partly represented by claims against the British Government for undue detention of ships, \$200,000.00. Will you explain that?—A. That was before my time.

Q. Will you explain that, Mr. Borgemeister? What ships?—A. The *Fordney* was one of them; then there was the *Biamo*, and then there was the *Antilla* and several others, which names I do not recollect.

Q. What is the total amount that you have claimed on account of those?—A. I made claim on account of the *Fordney* and the *Antilla*.

Q. Were claims made on account of the other ships?—A. No.

Q. What part of this \$200,000 is represented by claim?—A. I think it must be about one hundred to one hundred and ten thousand dollars.

Q. And who was handling that matter for Dr. Albert's office?—A. Hayes Kaufmann & Lindheim, through Phelps.

Q. Whose name was it being prosecuted in?—A. Phelps & Company.

Q. But it was really the transaction of Albert?—A. It was the transaction of Phelps, but the guarantee of H. F. Albert—the guarantee of the Zentral Einkaufs-Gesellschaft. I believe Phelps didn't really know our name.

Q. You mean by that that Phelps Brothers undertook this selling and—
(At this point one line of the transcript of this deposition is illegible.)

Albert or through someone on behalf of Albert?—A. Yes; I believe the latter is correct.

Q. But whatever proceeds might come through the prosecution of these claims would be the property of Albert?—A. Of the Zentral Einkaufs-Gesellschaft.

Q. And that you say would represent around one hundred or one hundred and ten thousand dollars?—A. Something like that.

Q. Next item, 28. Loss on operation of Fisk Trading Company, representing loss of operation of Steamship *Zealandia* and Steamship *Neches* (claim pending against McFadden & Company) and loss on merchandise, loaded on and discharged from Atlantic, \$200,000.00?

Mr. HEYNEN. That is, as far as I recollect, the total amount.

Q. What was the *Neches* transaction, briefly?

Mr. HEYNEN. The vessel chartered by the Fiske Trading Company in order to load meats for Scandinavia, and for some reason or other the shipment could not be made, and she accepted instead a cargo of general merchandise on rates for Rotterdam.

Q. Why couldn't she make her other trip?

Mr. HEYNEN. I wasn't there at the time.

Q. What was the loan on that transaction? How did you come by it?—A. She took a cargo of cotton shipped from McFadden, and McFadden gave a guarantee for any detention which might be caused to the vessel in consequence of this cotton. The vessel suffered detention, was held up by the British and taken to London on account of such cotton, which was unloaded in London and re-loaded again and taken to Rotterdam, and when I took over this Fiske Trading Company for liquidation, I found this claim in the hands of the lawyers, Harrington, Bigham & Englar. I thereupon endeavored to expedite the liquidation and the lawyers had some evasive replies as to whether it was the right time to receive—that they might succeed in getting this money from the British Government, in such case McFadden would not have to pay it.

Q. Was the claim directly against McFadden?—A. McFadden was originally responsible. As far as I know, they never did properly represent it to him.

Q. That claim was on behalf of the Fiske Trading Company?—A. Yes.

Q. How much did that amount to, so far as the *Neches* is concerned, approximately?—A. Between thirty-five and fifty thousand dollars.

Q. What was the loss on the *Zealandia*?—A. She was put on the Fiske Trading Company for Manchester, and accepted a general cargo at ruinous rates. She was a very poor carrying vessel, and she had very bad weather on the trip and had to effect repairs in Manchester, and finally from Manchester she took a cargo of salt, I think, to Florida at likewise ruinous rates. All of this caused a great loss in the operation of the vessel.

Q. Then the only claim there would be out of these two ships, the *Zealandia* and the *Neches*, would be a claim of thirty-five to fifty thousand dollars on account of the detention of the ship by the British?—A. Yes.

Q. And that is being handled by Harrington, Bigham & Englar, so far as you know?—A. Yes. The claim on account of the *Neches* was that the ship, while cleared from New York in accordance with the regulations of the British Admiralty was taken by the British to London, and was forced to discharge her cotton there. Subsequently permission was granted to have her take the cotton to Rotterdam. All of this caused very great expense, and detention to the ship, which is the item of claim.

Q. Were the facts of all that laid with Harrington, Bigham & Englar?—A. Yes, they have all the details in the matter.

Q. The creditor against detention of the *Neches* was McFadden & Company?—A. Yes.

Q. They are located in New York?—A. Yes.

Q. And did you direct Harrington, Bigham & Englar to proceed against them?—A. Repeatedly.

Q. And what answer did you get from them?—A. They always replied that their partner was in London endeavoring to settle the matter with the British Government.

Q. And that claim was being prosecuted in the name of the Fiske Trading Company?—A. Undoubtedly.

Q. Were there any other assets of the Fiske Trading Company, that you know of, in this claim of thirty-five to fifty thousand, that Harrington, Bigham & Englar are handling for you?—A. I can't recall any other assets.

Q. Next item, 29. Loss on shipments of meat by Sulzberger & Company, \$260,000.00. Do you know about that, Mr. Heynen?—A. That is the final payment made on the transaction, which we discussed the other day, where Sulzberger & Company had made shipments of meats to Scandinavian ports under the guarantee of Dr. Albert through the Deutsche Bank.

Q. What was the total amount of shipments? About two million?—A. Approximately two million.

Q. This represents a loan on that?—A. This is the final loan on the captured cargoes for which Mr. Albert was responsible.

Q. And who was that paid to?—A. That was paid to Sulzberger & Company.

Q. Now, were those captures of the meat put in Prize Court?—A. They were in Prize Court.

Q. Were there any returns from them like there was from the cotton?—A. Not at the time I was interned.

Q. Who was handling that transaction?—A. The lawyers for Sulzberger & Company I don't know. By agreement, they were to force the claim to the Prize Court, and failing to obtain redress in the Prize Court, they were to take the matter to International Court after the war.

Q. I have already asked you about that?—A. Yes, and you have got the agreement.

Q. Were Strook & Strook the attorneys?—A. Strook & Strook acted as friendly intermediaries between myself and the Sulzbergers.

Q. You don't know who the Sulzbergers attorneys were?—A. No.

Q. Next item, 30. Loss of cargo by steamship *Newton*, 2nd voyage, \$150,000.00. What was that, Mr. Heynen?—A. The steamship *Newton* had loaded a cargo for a European port at San Francisco. She was detained at Panama by a slide in the canal, and there was trouble in arranging with the owners of the vessel to have her proceed to Europe, and we effected an agreement with them, and the destination of the cargo was changed to New York, and here it was unloaded and finally sold, and the loss on the transaction, as far as my recollection goes to-day, was approximately \$150,000.

Q. What was that cargo?—A. Cocoanut cake.

Q. That's fodder?—A. Yes.

Q. For cattle?—A. Yes.

Q. Now, No. 31 is an item of loss on cotton purchased by John Simon, \$450,000.00 less profit on cotton shipments of L. Wolff & Company, \$150,000.00 making \$300,000.00. We have already gone into the cotton shipment of John Simon, haven't we, very fully?—A. Yes.

Q. On the cotton shipped by L. Wolff & Company, there was a profit?—A. Approximately \$150,000.00.

Q. So that the net loss on the cotton was \$300,000.00.

Mr. BORGEMEISTER. Really it is not as much as that. Take the cotton shipment on the *Eir* alone, that went over to Germany.

Q. There was evidently a profit on the cotton shipped on the *Eir*?—A. Yes.

Q. Were there any other shipments of cotton except the *Eir* and Wolff's shipment?—A. The *Kina* shipment by Tiedeman—

Q. So as to the cotton shipment, we have the cargo of the *Eir*, valued at \$800,000, the *Kina* valued at —A. (Interposing.) \$1,800,000.00.

Q. And the Wolff shipment by various shipments?—A. About \$1,200,000.00.

Q. Are those figures approximately correct?

Mr. BORGEMEISTER. Approximately correct.

Q. Next item, No. 32. Loss on purchase and sale of rubber, \$100,000.00. What was that, Mr. Heynen?—A. We frequently purchased rubber, expecting a short duration of the war, in order to have it ready on declaration of peace to ship to Germany. Subsequently we had to sell it, and this item represents the loss between the purchase price and the selling price and the cost of storage, insurance, etc.

Q. Who was it that handled that rubber transaction for you?—A. Mostly Mr. Rosenberg.

Mr. BORGEMEISTER. Mr. Lemke at first.

Q. What Rosenberg is that? Franz?—A. Yes.

Q. Item 33. Loss on contract for purchase of material by Aaron Hecht \$165,000.00. You were familiar with that, Mr. Borgemeister?

A. (BORGEMEISTER.) Yes, in order to cancel the contracts, settlement was made by Aaron Hecht, the \$150,000.00 granted him being the consideration of cancelling the contract.

Mr. JONES. I have already examined Mr. Borgemeister very fully. Mr. Hecht being in Germany had made contract with the German Government, which it was quite clear that he could not perform, and in order to be relieved of the probability of his failure to do so and to avoid any trouble, this payment was made by Albert's office for release of that contract.

Q. Next item, 34. Cash deposits and expenses for account of Appam, \$850,000.00.

Mr. JONES. I have fully interrogated Mr. Borgemeister and Mr. Heynen about this matter, and there has been turned over to the Alien Property Custodian \$355,000 of this cash and one million two hundred Imperial bonds, which were deposited with the American Security Company as collateral.

Q. Item 35 Balance of deposit account with Chandler & Company, \$75,000.00. Do you know anything about that, Mr. Heynen?—A. Yes, that is approximately the balance of moneys from our office left with Chandler & Company at the time of my being interned, from the account current.

Q. Arising out of what?—A. Arising out of deposits from Mr. Albert's office, subject to Mr. Albert's disposition.

Q. No. 36. Balance of account current with John Simon, \$155,000.00.—A. You have a statement and the extract of that account.

Q. No. 37. Balance of operating account Atlantic, \$17,000.00.—A. That is likewise Mr. John Simon for collections made by him for account of the operation.

Q. I have already very carefully examined you as to those two items?—A. You have.

Q. No. 38. Balance of account current of T. Lemke, \$20,000.00. I have already asked you about that, but state it briefly.—A. Mr. Lemke claims this is due him as commission for the purchase made for account of Mr. Albert, while Mr. Albert stated that he is not entitled thereto.

Q. No. 39. Interests paid on loans, notes and bills, \$400,000.00?

Mr. BORGEMEISTER. Paid the interest in advance for one year on the notes maturing on March 1, 1917, and extended for one year. We further paid the interest in advance on the bonds aggregating \$1,300,000, up to April 1, 1918. There were numerous payments for interest on loans effected here in this market, and the total amount is about \$400,000.00.

Senator STERLING. Capt. Lester, who held these particular claims now, for losses sustained in shipments and for interest paid?

Capt. LESTER. Well, this last one that I testified to has already been paid out; the \$400,000 has already been paid out. These contingent claims for detention, etc., are in the hands of concerns that were working through Albert and, in so far as they are the property of German subjects, I assume that they are in the hands of the Alien Property Custodian, or under his control.

There are some of these detention claims they speak of here that are being prosecuted that apparently are claims that originally belonged to American concerns or corporations that have been formed to conduct this trade, the result of whose operations has been guaranteed by Albert.

Senator STERLING. I see.

Capt. LESTER. The primary obligation would not be involved in Albert's transactions. It would be merely a guarantee on his part.

Senator STERLING. Yes.

Capt. LESTER. That appears in one or two of them, at least.

Senator STERLING. Then Dr. Albert himself, in turn, might have claims on account of losses and detentions?

Capt. LESTER. Yes; I think there is one here. Here is the claim of an item of \$260,000, referred to as item No. 29, which was a payment by Albert to Sulzburger & Co., and that is described as being a settlement with Sulzburger & Co. on account of a guaranty that Albert made, Sulzburger undertaking to ship meats to Europe if they were guaranteed by Albert against loss by detention or any other loss; and it turns out that there was a detention and a loss amounting to \$260,000 in this particular instance, which he paid them. So that transaction would be closed. Whether he would have a claim for recoupment on that is another matter. I do not know.

I continue to read from the deposition:

Q. That was principally upon treasury notes and treasury bonds.—A. Yes and loans effected here.

Q. That makes a total that you account for here of \$33,777,000.00?—A. Quite correct.

Mr. JONES. I have already examined both Mr. Borgemeister and Mr. Heyer in detail about the great majority of these items that go to make up expenditures, and under respective headings will be found, to a very large extent, statement that will cover such.

Now, the name that I referred to on page 6 of this deposition, in response to the question in reference to item No. 9, \$7,000,000, proceeds of Treasury notes placed the answer is: "The private banking house of Chattel & Company, Incorporated." That is a mistake. It is Chandler & Co. (Inc.). Chandler & Co. handled the first loan, \$7,000,000, for Dr. Albert, Treasury notes.

I believe that is all.

Senator STERLING. That concludes the depositions?

Capt. LESTER. Yes; Senator; that concludes the depositions.

Senator NELSON. You have some evidence, Maj. Humes, that you want to put in, I believe?

Maj. HUMES. Yes.

TESTIMONY OF MAJ. EDWIN LOWRY HUMES.

Maj. HUMES. To refresh the recollection of the committee, I want to call your attention to the fact that Mr. Becker in his testimony referred to the fact that bank accounts had been opened in St. Louis by Dr. Albert and by Bernstorff, one with the Mississippi Valley Trust Co. and one with the St. Louis Union Bank.

For the more definite information of the committee with reference to those two accounts, I submit a copy of the ledger accounts, showing that in the St. Louis Union Bank there was deposited to the account of H. F. Albert, on April 5, 1915, \$100,000; on April 12, 1915, there was \$50,000 withdrawn; on April 29 the \$50,000 of balance was transferred to a joint account of H. F. Albert and J. Bernstorff. This account had a withdrawal on May 6, 1915, of \$30,000, and on June 1 a withdrawal of \$15,000. There had been some accumulated interest, and the account was closed with the withdrawal on November 5 of \$5,162.68.

Senator STERLING. Was that the joint account?

Senator NELSON. The last part of it.

Maj. HUMES. That is the joint account; yes.

Senator NELSON. It was first a deposit to the credit of Albert, and then toward the last a joint account of Albert and Bernstorff?

Senator STERLING. Part of it was made a joint account.

Senator NELSON. Yes.

Maj. HUMES. Yes.

I submit as an explanation of this account the following letter from Chandler & Co. to the St. Louis Union Bank, dated April 3, 1915, in connection with the opening of this account, as follows:

[Chandler & Company, 34 Pine Street, New York.]

APRIL 3, 1915.

ST. LOUIS UNION BANK,
St. Louis, Missouri.

GENTLEMEN: We are in receipt of your letter of April 1st, including the signature cards. The account will be opened in the name of Mr. H. F. Albert, and therefore the cards will be executed by him and forwarded to you promptly.

We would like to point out to you confidentially that Mr. Albert, immediately after the outbreak of the war, had been sent by the German Imperial Government to this country, and has his office at the Hamburg-American Line. Mr. Albert is working in the interest of the German Government in connection with the Ambassador. He is privy councillor to the Minister of the Interior in Berlin, and therefore holds one of the highest positions in the German Imperial Government.

We would ask you to keep this information strictly confidential.

It will interest you to hear that the public sale of the Notes is going very well, and we have every reason to be satisfied.

Yours very truly,

CHANDLER & COMPANY, INC.,

Senator STERLING. Who are Chandler & Co.?

Maj. HUMES. They are a private banking concern in New York.

Under date of April 1, in opening this account, Dr. Albert wrote the following letter to the St. Louis Union Bank, St. Louis, Mo.:

DEAR SIR: I enclose herewith check for \$100,000 (one hundred thousand dollars), to be placed to my individual credit, and will thank you to forward a check book (three checks to the page) for use. This account will be subject to withdrawal, without notice, and I would be obliged if you will inform me what rate of interest you will allow.

Messrs. Chandler & Co. have advised me that they have wired you for signature cards, which I shall be glad to return as soon as received.

Yours very truly,

H. F. ALBERT.

The signature cards were duly returned and the account was opened, carried, and closed as heretofore outlined.

Senator NELSON. Have you any information as to where the money went ultimately—what it was used for?

Maj. HUMES. Not this particular fund. I am just leading up to another fund and to the striking coincidence there seems to be as to why certain accounts were opened in St. Louis at the same time.

On the same date, April 5, an account was opened—a joint account in the name of H. F. Albert and J. Bernstorff in the Mississippi Valley Trust Co. for \$100,000.

Senator STERLING. Of St. Louis?

Maj. HUMES. Of St. Louis. That account was carried until November 5, and there were only four withdrawals from that account. It was all wiped out in four withdrawals. The signature cards were filled and the account was made a joint account.

Senator STERLING. The only difference between that account and the former one is that this was a joint account of Albert and Bern-

storff from the beginning, whereas the other was an individual account of Albert's to begin with?

Maj. HUMES. That is correct.

This is the significant matter: On the same day, April 5, 1915, there was an account opened in the Mississippi Valley Trust Co. of St. Louis in the name of F. A. Sommerfeld, who was an alien enemy and who is now interned as a German alien enemy; and in order that you may understand the exhibits which are attached, I ask that this whole bank account be made a part of the record, to show the amounts at various times.

(The account referred to is as follows:)

*F. A. Sommerfeld In Account Current with Mississippi Valley Trust Company.
Saint Louis.*

Deposits		Withdrawals			
Date of deposit	Deposit	Date paid	Checks	Date paid	Check
April 5, 1915.....	15,000.00	Apr.....	2,858.80	Jun.....	8,421.00
Apr 20.....	5,000.00	Apr.....	904.82	Jun.....	1,750.00
Apr 21.....	10,000.00	Apr.....	1,852.62	Jun.....	4,200.00
Apr 26.....	20,000.00	Apr.....	1,768.41	Jun.....	4,200.00
Apr 29.....	20,000.00	Apr.....	2,585.25	Jun.....	1,750.00
Int.....	12.64	Apr.....	2,128.41	Jun.....	4,200.00
May 4.....	15,000.00	Apr.....	2,273.67	Jun.....	7,000.00
May 7.....	15,000.00	Apr.....	2,357.88	June.....	4,200.00
May 11.....	10,000.00	Apr.....	2,863.14	Jun.....	4,200.00
May 17.....	10,000.00	Apr.....	3,789.45	Jun.....	4,200.00
May 17.....	12,168.75	Apr.....	4,378.92	Jun.....	4,200.00
May 21.....	2,831.25	Apr.....	7,157.85	Jun.....	4,200.00
May 24.....	20,000.00	Apr.....	3,536.82	Jun.....	8,421.00
May 27.....	20,000.00	Apr.....	3,452.61	Jun.....	1,750.00
Int 28.....	21.36	Apr.....	3,199.98	Jun.....	4,200.00
Jun 1.....	8,000.00	May.....	5,389.44	Jun.....	1,750.00
June 4.....	5,000.00	May.....	3,873.66	Jun.....	4,200.00
Jun 7.....	8,000.00	May.....	3,536.82	Jun.....	4,200.00
Jun 9.....	8,000.00	May.....	3,873.66	Jun.....	4,200.00
Jun 14.....	25,000.00	May.....	2,863.14	Jun.....	4,200.00
Jun 15.....	12,000.00	May.....	4,547.34	Jun.....	4,200.00
Jun 18.....	5,000.00	May.....	1,713.18	Jun.....	4,200.00
Jun 21.....	5,000.00	May.....	4,294.71	Jun.....	4,200.00
Jun 22.....	5,000.00	May.....	3,705.24	Jun.....	4,200.00
Jun 23.....	5,000.00	May.....	3,536.82	Jun.....	4,200.00
Jun 24.....	5,000.00	May.....	3,536.82	Jun.....	4,200.00
Jun 25.....	5,000.00	May.....	3,536.82	Jun.....	4,200.00
June 28.....	5,000.00	May.....	3,115.77	Jul.....	8,421.00
Int 29.....	8.42	May.....	3,957.87	July.....	8,421.00
Jun 30.....	8,000.00	May.....	3,957.87	Jul.....	4,200.00
Jul 2.....	13,000.00	May.....	3,621.03	Jul.....	11,000.00
Jul 9.....	4,250.00	May.....	4,042.08	Jul.....	4,200.00
July 9.....	8,000.00	May.....	4,210.50	Jul.....	1,000.00
Jul 11.....	2,200.00	May.....	2,778.93	Jul.....	8,421.00
Jul 13.....	2,000.00	May.....	5,305.23	Jul.....	14,000.00
Jul 14.....	1,000.00	May.....	5,894.70	Jul.....	17,000.00
July 28.....	17,500.00	May.....	4,210.50	Jul.....	8,421.00
Jul 27.....	15,000.00	May.....	4,210.50	Aug.....	10,000.00
Int 30.....	2.49	May.....	4,210.50	Aug.....	10,000.00
Aug 20.....	21,000.00	May.....	4,210.50	Aug.....	1,000.00
Aug 25.....	5,500.00	May.....	4,210.50	Aug.....	6,100.00
Int 30.....	3.74	May.....	3,500.00	Sept.....	5,000.00
Sep 8.....	6,000.00	May.....	4,210.50	Sept.....	5,000.00
Int 29.....	3.45	May.....	4,210.50	Nov.....	5,000.00
Int Oct. 28.....	2.04			Nov. 26.....	2,000.00
Nov 12.....	6,935.95			Dec. 7.....	2,000.00
Int 29.....	6.61			Dec. 10.....	8,421.00
1915 Dec 11.....	None.			Dec. 11.....	

Senator NELSON. Who deposited the money to the credit of Sommerfeld?

Maj. HUMES. I am going to show you that. This was all handled by telegraph, and this is the way the account was opened.

I offer in evidence a letter from William C. Potter, vice president of the Guaranty Trust Co., of New York, dated March 13, 1915, as follows:

MISSISSIPPI VALLEY TRUST COMPANY,
Saint Louis, Missouri.

DEAR SIR: This will introduce to you Mr. F. A. Sommerfeld, who maintains an excellent account with us. Mr. Sommerfeld is going to St. Louis to-night and may have occasion to ask us to place funds at his disposal in your Institution by wire, and I am handing him this letter for identification, and I am sending you a copy of it direct. A specimen of Mr. Sommerfeld's signature is shown on the copy.

Yours, very truly,

WILLIAM C. POTTER
Vice President.

(Specimen of Mr. Sommerfeld's signature:)

(Sgd) "F. A. SOMMERFIELD" (in his own handwriting).

We also submit a letter from the Guaranty Trust Co., of New York, dated April 3, 1915, signed by B. Burke, assistant secretary, as follows:

MISSISSIPPI VALLEY TRUST COMPANY,
St. Louis, Mo.

GENTLEMEN: Mr. F. A. Sommerfeld, whose address is Hotel Astor, New York City, wishes to open an account in your city, and we have arranged for him to open it in your company for \$15,000, which amount we have today credited your account, and would request you to give Mr. Sommerfeld a like credit with you.

For your guidance we enclose herewith Mr. Sommerfeld's signature.

We understand Mr. Sommerfeld will deposit further sums with you from time to time, and advise you as to payments to be made.

Yours, very truly,

B. BURKE,
Assistant Secretary.

Under date of April 5, 1915, the Mississippi Valley Trust Co. wrote to the Guaranty Trust Co., advising them that the account on that date had been opened as follows:

GUARANTY TRUST CO.,
Mr. J. I. BURKE, Asst. Secty.,
New York City.

DEAR SIR: We have yours of 3d inst. and have to-day credited Mr. F. A. Sommerfeld with \$15,000.00, as instructed.

We are also in receipt of specimen signature of Mr. Sommerfeld enclosed in your letter.

We are to-day advising Mr. Sommerfeld at Hotel Astor, New York City, of this credit.

Thanking you for your interest in our behalf, I am,

Yours, very truly,

(Signed) E. J. K.,
Asst. Secty.

Now, this account was maintained from that time on until it was closed in November or December of the same year, about the time that these other accounts were closed up by a telegraphic transfer of credit by the Guaranty Trust Co., and I have here the original telegrams and the acknowledgments showing the various transfers of credit to the account of Sommerfeld in this bank.

Senator NELSON. What was the aggregate amount of what Sommerfeld had in the bank? Did he ever add anything to it?

Maj. HUMES. I have added them up roughly. It was in the neighborhood of \$300,000.

Senator NELSON. He added something to that?

Maj. HUMES. No; it is covered by these telegraphic transfers of credit. I will just give a summary, rather than put them all in the record.

On May 27, 1918, \$20,000.

Senator NELSON. Telegraphed him?

Maj. HUMES. The credit was telegraphed: the money was not.

Senator NELSON. That is what I mean.

Maj. HUMES. The Guaranty Trust Co. transferred it to the credit of the Mississippi Valley Trust Co. as an account, and then wired to Sommerfeld credit for the item.

On May 22, 1915, there was \$20,000 passed to the credit of Sommerfeld.

On May 22, 1915, there was \$20,000 passed.

Senator STERLING. As per telegram from the Guaranty Trust Co.

Maj. HUMES. Yes; as per telegram from the Guaranty Trust Co.

On May 17 there was \$10,000 passed to the credit of this account.

On May 11 there was \$10,000 passed to the credit of Sommerfeld.

On May 7 there was \$15,000 passed to the credit of Sommerfeld.

On May 4 there was \$15,000 passed to the credit of Sommerfeld.

On April 29, \$20,000 was passed to the credit of Sommerfeld.

On April 26, \$20,000 to his credit.

On April 21, \$20,000 was passed to his credit.

On April 20, \$5,000 was passed to his credit.

On June 1, \$8,000 was passed.

On June 4, \$5,000.

On June 7, \$8,000.

On June 9, \$8,000.

On June 14, \$10,000.

On June 12, \$15,000.

On June 15, \$12,000.

On June 16, \$12,000.

On June 18, \$5,000.

On June 21, \$5,000.

On June 26, \$5,000.

On June 23, \$5,000.

On June 24, \$5,000.

On June 25, \$5,000.

On June 28, \$5,000.

On June 30, \$8,000.

On July 2, \$13,000.

On July 9, \$8,000.

On July 24, \$17,500.

On July 26, \$15,000.

On August 19, \$21,000.

On August 25, \$5,500.

On September 8, \$6,000.

On September 16, \$5,000.

On November 24 Sommerfeld wired the bank to wire \$5,000 to his credit in the Guaranty Trust Co., of New York, transferring \$5,000 back to the Guaranty Trust Co.

I think that covers the item.

Senator NELSON. What is the aggregate of those amounts?

Maj. HUMES. We can tell you in just a minute. It is close to \$300,000.

Capt. LESTER. Almost \$400,000.

Senator NELSON. How was that money disbursed?

Maj. HUMES. That is what I have gotten to. On April 3, 1915, Sommerfeld gave these instructions to the Mississippi Valley Trust Co., of St. Louis, Mo.:

MISSISSIPPI VALLEY TRUST COMPANY,
St. Louis, Mo.

GENTLEMEN: Referring to the credit of \$15,000 which is being placed with your company for me by the Guaranty Trust Company of New York, I hereby authorize you to pay all drafts which may be drawn against my account with you by the Western Cartridge Company, of Alton, Ills., and charge same to my account.

Yours, very truly,

F. A. SOMMERFELD.

On April 5, 1915, the Mississippi Valley Trust Co. wrote the following letter to Sommerfeld:

Mr. F. A. SOMMERFELD,
Hotel Astor, New York City.

DEAR SIR: Referring to yours of 3d inst., under instructions of the Guaranty Trust Company, New York, we have credited your account with \$15,000.00, as per acknowledgment herewith.

We note that you authorize us to pay all drafts which may be drawn against your account with us by the Western Cartridge Co. of Alton, Ill.

Will you please furnish us with authorized signatures of officers of Western Cartridge Co., who will sign these drafts.

Thanking you for the patronage, which is greatly appreciated, I am,

Yours, very truly,

E. J. K., *Asst. Secty.*

The following letter from the Western Cartridge Co. to the Mississippi Valley Trust Co., dated April 9, 1915, is submitted:

THE MISSISSIPPI VALLEY TRUST CO.,
St. Louis, Mo.

GENTLEMEN: At the request of Mr. F. A. Sommerfeld, of Hotel Astor, New York City, we are enclosing herewith signature card carrying signatures for eight drafts that we will make on him thru your Company.

In order that there will be no misunderstanding, please be advised that we are instructed by Mr. Sommerfeld to make sight drafts on him thru you for the value of such shipments as we make from time to time, for his account, and attached to such drafts are to be a copy of the invoice and a copy of the express receipt or bill-of-lading.

These documents will go thru our regular banking connections and will be presented to you in regular course.

Yours truly,

WESTERN CARTRIDGE COMPANY,
A. J. NORCOM, *Secretary.*

Senator STERLING. How is that spelled?

Maj. HUMES. I am not sure of the name, and I want to see if it is in the letterhead. I think it is N-o-r-c-o-m; is that correct?

Capt. LESTER. Yes.

Maj. HUMES. On April 10, 1915, the Mississippi Valley Trust Co. addressed the following letter to the Western Cartridge Co.:

WESTERN CARTRIDGE CO.,
Mr. A. J. Norcon, *Secty.*
Alton, Ill.

GENTLEMEN: We have yours of 9th inst. and enclosing card with signature of Mr. O. F. D. Emrich, Treasurer, and Mr. A. J. Norcon, Secretary, who are

authorized to sign drafts that you will draw on Mr. F. A. Sommerfeld through this Company.

It is our understanding that both of these signatures are necessary to draw but if such is not the case, please advise us promptly, and oblige.

Yours very truly,

E. J. K.
Asst. Secy

Also the following letter from the Western Cartridge Co. to the Mississippi Valley Trust Co., of April 12, 1915:

MISSISSIPPI VALLEY TRUST CO.,
N. W. Cor 4th & Pine Sts.,
St. Louis, Mo.

GENTLEMEN: In answer to your letter of April 10th, beg to state that signature either by the Secretary or Treasurer is sufficient to sign drafts.
Yours truly,

WESTERN CARTRIDGE COMPANY
O. F. D. EMERICH, Treasurer

On April 14 what is apparently the first draft and the first bill of lading are transmitted, and I submit the following letter from the Western Cartridge Co., dated April 14, 1915:

MISSISSIPPI VALLEY TRUST CO.,
St. Louis, Mo.

GENTLEMEN: Upon instructions from H. Villa, we are asking you to send original B/L's of shipments ammunition to him El Paso, to Luis Goxiola, 109 So. Santa Fe St., El Paso, Texas, as soon as they have served your purpose and draft is paid. You will receive with each set of papers from this time on, different instructions are given, addressed envelope to Mr. Goxiola for the purpose.

Yours truly,

WESTERN CARTRIDGE COMPANY
O. F. D. EMERICH, Treasurer

Under date of April 15, 1915, the Mississippi Valley Trust Co. addressed the following communication, inclosing bill of lading of April 15, 1915:

Mr. LUIS GOXIOLA,
109 S. Santa Fe Street,
El Paso, Texas.

DEAR SIR: We enclose herein Bill of Lading for ammunition, consigned H. Villa, El Paso, as instructed by the Western Cartridge Co. of Alton, Ill.
Yours very truly,

E. J. K., Asst. Secy

Senator NELSON. Is that Villa—the Mexican name Villa?

Maj. HUMES. Yes, sir.

Mr. SPEERS. This is Hipolito Villa, the brother of Francisco Villa.

Maj. HUMES. Yes.

On June 1, 1915, the following letter was addressed by the Western Cartridge Co. to the Mississippi Valley Trust Co., of St. Louis, Mo.

GENTLEMEN: You will notice the enclosed envelope is addressed to Hipolito Villa instead of Luis Goxiola, as in the past. You will send express receipt to Hipolito Villa on this and subsequent shipments until further advised. For this purpose we shall continue to send envelopes properly addressed.

Yours truly,

WESTERN CARTRIDGE COMPANY
SAM PRESSEY, Sales Dept.

A letter dated June 12, 1915, from F. A. Sommerfeld to the Mississippi Valley Trust Co., written on the letterhead of the House of Astor, as follows:

MISSISSIPPI VALLEY TRUST COMPANY,
St. Louis, Missouri.

GENTLEMEN: Today I received the following telegram from the Western Cartridge Company:

"Bank advises no funds to cover Thursday's shipment. Advise quick."

I am very much surprised at this information as according to your own statement from May 29th my balance in your bank, after deducting the shipment of May 29th, was \$15,660.24. Since then I have paid in to the Guaranty Trust Company of New York with instructions to wire same to you, the following amounts:

June 1st, \$8,000.

June 4th, \$5,000.

June 7th, \$8,000.

June 9th, \$8,000.

This \$29,000, added to my balance would give a total of \$44,660.24.

The shipments of the Western Cartridge Company from May 31st to Thursday, June 10th inclusive, amount to \$44,257.60, which would leave a balance of \$402.60 not including the \$15,000 paid by me this morning to the Guaranty Trust Company with instructions to wire same to you.

Therefore I do not see how it is possible that you can inform the Western Cartridge Company that there were no funds in the bank to cover the shipment of Thursday, June 10th, unless the Guaranty Trust Company of New York failed to notify you that one of the above mentioned amounts had been paid in. There has been a serious mistake made by somebody. I hold the original bills from May 31st to June 10th inclusive which total the amount I have mentioned above.

Awaiting your reply at the earliest possible date, I am
Very truly yours,

F. A. SOMMERFELD.

A telegram received July 9, 1915, signed F. A. Sommerfeld, to the Mississippi Valley Trust Co., St. Louis:

MISS VALLEY BANK
St Louis Mo

Shall wire you funds early in the morning in case Western Cartridge Company present bills before you receive the money please tell them to return later in the day.

F. A. SOMMERFELD.

Senator NELSON. Most of this money to Sommerfeld's credit in St. Louis came from that trust company in New York?

Maj. HUMES. All of it, except accumulated interest. There was an arrangement that 2 per cent——

Senator NELSON. What was the name of that trust company?

Maj. HUMES. The Guaranty Trust Co.

Senator NELSON. How did money come in there? Who put the money in there?

Maj. HUMES. That is something we are trying to find out definitely about, Senator, and we have nothing but indirect information, and whether it is going to be possible to establish it definitely I am not in a position to state now. We are trying to get that information definitely.

Senator STERLING. What was the relation, now, if any, between the Bernstorff and Albert deposit, and the deposit to the credit of Sommerfeld?

Maj. HUMES. The significant thing is this, that all these accounts were opened on the same day, and they were all closed at practically the same time.

Senator NELSON. They were closed at about the same time as the Sommerfeld account?

Maj. HUMES. Yes; about the same time. In November and December they were all closed out.

Senator STERLING. Is there evidence showing how the Albert and Bernstorff accounts were paid out except that you have shown, I think, that a portion was withdrawn?

Maj. HUMES. They were all withdrawn. It was all withdrawn in large amounts. In one case three withdrawals and in the other four withdrawals wiped out the entire account, and it was paid out in just three or four items; and there is no connection, I think, between the St. Louis account, the Bernstorff account, and this account, so far as the transfer of funds is concerned, but it is a peculiar coincidence that they were both interested in St. Louis banks at the same time if there was not an understanding. Possibly it was a sort of camouflage to this Sommerfeld account that they opened accounts at the same time and kept them in St. Louis banks and at the same bank during this period. We have a record here showing these various shipments. I had assumed that it would suffice the committee to make the statement that all this money, except a small item that was transferred back to Sommerfeld in the Guaranty Trust Co., when the account was closed, was paid out on direction of the Western Cartridge Co., and all of the ammunition was shipped by the Western Cartridge Co., to El Paso, either to Villa or to Goxiola.

The records of military intelligence disclose that during the months from April to August, 1915, Sommerfeld was an advisor of von Rintelen.

Senator NELSON. He was connected with von Rintelen?

Maj. HUMES. And also that he was closely associated with Frederico Stalforth, who is also interned at this time, and I think there is some testimony on the record showing that Frederico Stalforth was especially interested in Mexican propaganda and activities in Mexico.

Senator STERLING. And this evidence goes to show that about \$400,000 was furnished?

Capt. LESTER. \$380,000, approximately.

Senator STERLING (continuing). Was furnished to supply ammunition to Villa in Mexico?

Maj. HUMES. Yes, sir. I think that is all we have this afternoon.

(Thereupon, at 5.15 o'clock p. m., the subcommittee adjourned until to-morrow, Wednesday, January 8, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

WEDNESDAY, JANUARY 8, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.30 o'clock a. m., in Room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Nelson, and Sterling.

TESTIMONY OF MR. ELLERY C. STOWELL.

(The witness was sworn by the chairman.)

Senator OVERMAN. Mr. Stowell, the other day you undertook to volunteer some matter here, and you did not finish.

Mr. STOWELL. No. I volunteered to make a statement because of several incidents which I thought bore directly upon the matter under discussion, and they came in so pat that I was moved to get up and suggest, if the committee wished to hear me, that I would give them some information. I understood they did, and so I started, and now you kindly allow me to complete what I started to say under a misunderstanding.

Senator OVERMAN. You were then telling about some money you had received for some work.

Mr. STOWELL. That was following the questions that were put to me, and those questions left the inquiry upon that matter. What I got up to tell about was the insidious actions of the German propagandists, trying to get people in their clutches.

Senator OVERMAN. Proceed.

Mr. STOWELL. When I was starting to write a book on the war, one of my students suggested it would be a good plan if I could have a conversation with Dr. Albert.

Senator OVERMAN. I think you had better, for your own sake, tell who you are and what you have been doing.

Mr. STOWELL. I was formerly associate professor of international law at Columbia University. I left the university in consequence of my activities.

Senator NELSON. Where were you before that?

Mr. STOWELL. I was at the University of Pennsylvania, and before that I was in the George Washington University.

Senator NELSON. Here?

Mr. STOWELL. Yes.

Senator OVERMAN. Where is your home?

Mr. STOWELL. At present I am living in Washington.

Senator OVERMAN. Where were you born?

Mr. STOWELL. In Lynn, Mass.

Senator OVERMAN. Very well, proceed.

Mr. STOWELL. One of my students in my course on international relations thought it would be of interest if I could have an interview with Dr. Albert, who he said was one of the men in the group that was close to the Kaiser, and through some people whom he knew I arranged that I was to have luncheon with Dr. Albert and it was suggested that I prepare certain questions to which they would make the answers. I demurred at that method, because I wanted to get the truth and I thought that questions prepared in that way would not get at the situation as well as I could by questioning Dr. Albert face to face. That was agreed to and on December 17, 1914, I had luncheon with Dr. Albert in the Whitehall Building in company with Dr. William Bayard Hale, the German propagandist.

There were some officials of the North German Lloyd Co. present and I proceeded to direct my questions to Dr. Albert as to why Germany had begun this war. My reading of documents had convinced me that Germany was responsible, and so I wanted to hear the German case. He told me as best he could, trying to put it that the Germans were in a difficult position and had to take what he considered defensive action. He said that he did not agree with those men about him in Berlin who thought that England would not come in. He told me that, on the contrary, he was one of those who thought that England would come into the war. His answers were very direct. He did not try to dodge the questions, but with great astuteness put the very best phase that was possible upon Germany's action. Every time that he would say something Dr. Hale would break in with some blatant statement that anybody would perceive was calculated to curry favor with Dr. Albert and to show how he could out-Herod Herod. That rather interfered with my getting at the facts. At that time I supposed that the German people were not cognizant of what was going on and were not responsible, and with a feeling of true neutrality I had sympathy——

Senator NELSON. What benefit did you get out of the interview? Give us the substance of it.

Mr. STOWELL. Might I complete the substance of what I was telling you? I thought the importance of this meeting to this committee might be to show what Dr. Hale was doing at that time, as early as December 17, 1914—that he was at this luncheon at that time. I drank to the health of the German people, and I said, "I do not drink to the health of the German Government," and Dr. Albert had to sit there and take that. Then I went to see Dr. Dernberg and he made the same kind of statement that Dr. Hale had. There was not anything very profound or intelligent about it. I saw him at the Ritz-Carlton.

Senator OVERMAN. What did you go to see him for?

Mr. STOWELL. About the German case. He published some documents, the Belgian documents that he had put out here, which seemed to me very unfairly put out, and the German propaganda that he put out seemed to be more of a popular kind than scientific. I want-

to talk with him and find out if he had any real justification for what Germany had done, and he could not give the slightest justification for anything. Neither could Dr. Albert.

The only other important matter was in connection with Dr. Rumely. When Mr. McClure came back from his trip in Germany he came to me and showed me something that he had written in regard to the war which seemed fairly stated, and Dr. Rumely invited me to a dinner to meet him. This dinner took place on May 31, 1916, and after Mr. McClure had recounted his interesting experiences on the German front and in Turkey, the German exchange professor, I think his name was Schmidt, who had been out in Chicago, got up and made a statement, a speech—at that time it did not look so very bright for Germany as it did a little later—in which he proceeded to make a plea for Germany, and said if Germany were beaten in fair fight that would be accepted, and an adjustment would be made to the new situation. But if she felt that there was injustice in the combination of the allies against her, that it would rankle and you would have a situation similar to what you had in Alsace-Lorraine. He did not, of course, mention Alsace-Lorraine, but that was the implication. Then he went on to say how Russia was responsible for the war, and he argued that the whole responsibility came back to Russia.

Senator STERLING. That was Dr. Rumely?

Mr. STOWELL. No; this was the German exchange professor, who spoke English very fluently. They had there a large number of very influential men. It seemed to me that this address was staged to put this propaganda before them, and I was not going to let them get away with a statement which was so unfair, so unjust, to Russia. So I got up and stated the facts as to why Russia had gone into the war, and said that Russia was not to blame, and that it was entirely Germany.

Senator NELSON. Did you refer to that round-robin letter that was signed by a large number of professors and ministers in Germany defending Germany for her conduct in Belgium?

Mr. STOWELL. I got a copy of that, but I did not refer then to that. That was absurd. That did Germany more harm than almost anything that she sent out.

Senator NELSON. Did not that admonish you how dangerous German kultur was?

Mr. STOWELL. Yes.

Senator NELSON. Put you on your guard against it?

Mr. STOWELL. Yes. The whole treatment of the war material and propaganda put me on my guard. When Dr. Rumely invited me to dinner I did not know anything about him; I did not know he was any different from any other citizen. I did not know that he had anything to do with German propaganda. The people at that dinner were people I knew to be partly interested in Germany and some that I knew to be the contrary, but I had the feeling when the exchange professor got up and made that speech that it was staged, and I did not want him to get by with it.

Senator NELSON. Who got up the dinner?

Mr. STOWELL. Dr. Rumely sent out the invitations, and it was in connection with Mr. McClure coming to the Mail.

Senator NELSON. What impression did you get about Rumely then? That he was a pro-German or a German representative?

Mr. STOWELL. I got the impression that he was a pro-German as soon as I saw that this dinner had been staged in that way, and that he was very astute; everybody could see that—that he was a very keen man.

Senator OVERMAN. It was after this that you began to write the German stuff for which you were paid?

Mr. STOWELL. Yes. Then Mr. Merkel, the secretary of the German-American League, wanted me to investigate this book of Von Mach's—I told something about that before. That investigation showed me that that book was a very interesting and important book, but that it was got up in such a partisan spirit that it was dangerous for a person who did not know the real facts; and I so reported to Mr. Merkel.

I informed MacMillan that I was doing this work and asked them for anything that they had to say, so that I could investigate this as an unbiased judge.

Senator NELSON. What did you do then, after seeing all these gentlemen and wining and dining with them? What was the outcome of it?

Mr. STOWELL. The outcome of these interviews?

Senator NELSON. Yes.

Mr. STOWELL. You see, when I saw Rumely I had already published my book.

Senator NELSON. Had you written your book then? Were you writing it while you were communicating with these men, or after or before?

Mr. STOWELL. The book appeared in July, 1915.

Senator OVERMAN. What was the title of the book?

Mr. STOWELL. The Diplomacy of the War of 1914.

Senator OVERMAN. After you wrote that book, they were inviting you around to dinner; is that it?

Mr. STOWELL. Yes. Dr. Rumely invited me to dinner, and there were a great many others at the dinner, and as I was still writing on the war, I wanted to hear all that was said.

Senator NELSON. Look here; you told us about meeting all these different men and interviewing them in 1914?

Mr. STOWELL. Yes.

Senator NELSON. Did you use that information or data in composing your book, or was that after you had written your book?

Mr. STOWELL. You see, Senator, I have written one volume, and I am now writing the second volume.

Senator NELSON. But I mean that first volume. Had you written it then?

Mr. STOWELL. That had been written.

Senator NELSON. You had written the first volume before you saw these men?

Mr. STOWELL. No. I saw Albert and Dernburg before I wrote my first volume.

Senator STERLING. And Hale?

Mr. STOWELL. And Hale; yes.

Senator OVERMAN. Who paid you the money?

Mr. STOWELL. I am coming to that, if you will allow me, Senator.
 Senator OVERMAN. All right. Go ahead.

Mr. STOWELL. Do you want me to repeat what I said the other day about that matter?

Senator OVERMAN. I asked you the question right here—who gave you the money?

Mr. STOWELL. Mr. Merkel, after making this arrangement as Secretary of the German University League, I believe it is—I forget the name of it.

Senator NELSON. The Neutrality League, was it not?

Mr. STOWELL. No. This was the University League.

Maj. HUMES. The German University League is correct.

Mr. STOWELL. Yes; the German University League.

Mr. von Mach was going to be their president, so he said to me that they wanted this investigation of this book, which had been withdrawn from MacMillan, to see whether he was a suitable person to be their president. That was the plea that they put it on. And I did not feel that I ought to turn down any request for an opinion on a matter of international law, because I have given, on every question of international law that I have been asked for, my opinion, no matter what the damage to me; and it has cost a great deal; because at a time when people's opinions are aroused if you say something they do not like, even if you are saying something that is true, it is very dangerous.

Senator NELSON. The first volume of your book you had gotten out, you say. Can you give us a brief outline of the points you covered in that book?

Mr. STOWELL. In that book I said that Germany was responsible for the war.

Senator NELSON. Yes.

Mr. STOWELL. I said—and this was in July, 1915—that the American people would expend their whole substance, and lifeblood and treasure before they would allow the German system to conquer. That is what I said in that book.

Senator STERLING. Have you got a copy of the book here?

Mr. STOWELL. I have not it with me, Senator. I will send it to the committee, if desired.

Senator NELSON. What other questions did you cover in your book?

Mr. STOWELL. I covered the whole question of the war.

Senator OVERMAN. I can not understand why Rumely and such men would be inviting you to dinner if you made such statements as that in your book.

Mr. STOWELL. I was writing for the New York papers. The reporters came to me and asked me questions about international law, and when they asked me these questions I answered all of them, and the answers that I made showed up Germany's illegal action to such a degree that I do not think the Mail, which was a pro-German sheet, ever published any of my statements. There is a good indication that they did not find it very good copy for their readers.

Senator NELSON. Still, they invited you to dinner, did they not?

Mr. STOWELL. Certainly.

Senator NELSON. After your first volume had been published?

Mr. STOWELL. Yes; they were trying certainly to get their clutches on me, or they wanted, perhaps, to get this idea of Russia's responsibility over to men who they knew were writing on the subject.

Senator STERLING. Your first dinner was in December, 1914?

Mr. STOWELL. That was a luncheon, Senator.

Senator STERLING. And that was with Hale and Dr. Albert?

Mr. STOWELL. Yes. I never heard of either of them before.

Senator STERLING. It was in May, 1916, that you had your dinner with Rumely?

Mr. STOWELL. Yes. I never heard of—

Senator NELSON. What diplomatic questions did you cover in your book?

Mr. STOWELL. I covered the question of the invasion of Belgium, the question of the entry of England into the war, and the question of the obligation of neutral nations in the defense of international law.

Senator OVERMAN. What, if anything, did you say in your book that called Germany's attention to it, or the attention of the German agents here, to make them think that you rather had some things in favor of Germany?

Mr. STOWELL. They did not think that, but they knew that I was trying to be fair, and they wanted to put that idea out where it would come under my eyes.

Senator OVERMAN. As to this money you received for writing, was that before you wrote the book or afterwards?

Mr. STOWELL. Rumely was after I had written this book.

Senator OVERMAN. That was money you got for what, now?

Mr. STOWELL. The emphasizing of my getting money for this book, Senator, puts me in the position of getting money from the German propagandists, and I wish to state that I was offered a retainer by lawyers on the German side in a case which I refused to take.

Senator NELSON. But you did not get any pay for writing the book?

Mr. STOWELL. No; except the regular royalties from Houghton Mifflin.

Senator NELSON. What inspired you to write the book?

Mr. STOWELL. Why, I was asked to by Houghton Mifflin and one of the professors in Columbia, because it was in my field, in this subject.

Senator NELSON. What is the name of that professor?

Mr. STOWELL. Prof. Shotwell. He is one of the ablest men who has helped the cause.

Senator NELSON. Was he a pro-German, too?

Mr. STOWELL. Never. He was one of the ablest men on the side of the allies, and I think he is now abroad with the American delegation.

Senator OVERMAN. Suppose you go ahead and let us know, so that we will not ask these questions, just what this money was for that you received. Tell us about that.

Mr. STOWELL. I was just going to say, Senator, that the emphasizing of that money puts me in the position of having received money from German propagandists, and the fact is that I refused to make money out of the war, and that when it came to the point where

went into the war, I spent \$3,000 organizing the Patriotic Service League, and that money I have never been repaid.

Senator NELSON. But that does not answer the chairman's question.

Mr. STOWELL. I am referring to the emphasis that is being put on my receiving this money. I do not think it is fair to me.

Senator OVERMAN. But you volunteered the statement that you received money. Nobody invited you to come here. You stated here that you had received money from these people which you told us about.

Mr. STOWELL. Yes.

Senator OVERMAN. What about that? What was that for? I would like to get that in the record, so that we may understand what you were doing.

Mr. STOWELL. It was for an opinion on this book of von Mach's, as to whether it was a suitable book. As I stated, they wanted to know whether the book was of such a nature that Von Mach would be a suitable man for their president. It had been withdrawn by MacMillan. I did not have anything to do except to study the book and report, it being in my field, what it was like.

Senator NELSON. Did you make a written report?

Mr. STOWELL. Yes; I made a report and sent it to the secretary of the——

Senator NELSON. What was the substance of your report?

Mr. STOWELL. The substance of my report was that the book was a valuable book, was of interest to one who knew the subject, but that it was so partisan that it would be dangerous for anybody who did not know the facts.

Senator STERLING. Was your report published?

Mr. STOWELL. No. You see, Senator, the war intervened. We went into the war, and therefore there was no opportunity for publishing it. I reserved the right to publish it, whatever the result, and he knew that, that I would publish it just as I found it.

Senator NELSON. And that was what you were paid for?

Mr. STOWELL. That was what I was paid for.

Senator NELSON. How much?

Mr. STOWELL. I was to have been paid \$200, but when the war broke out and I had not completed the whole, I was paid \$100. The only matter that I thought was important in this question was that Merkel, after our entry into the war, had sent out certain propaganda literature, and one of those sheets that he sent out brought up that same matter about the responsibility of Russia for the war—an effort to put the blame on Russia; and his action was so significant of this effort to have the whole blame put on Russia, to allow Germany to slide out from under, and it showed such a concerted effort, it seemed to be, on the part of the German propagandists in a most subtle form that I wanted to call it to the attention of this committee.

Senator STERLING. Did you do so in your report?

Mr. STOWELL. No; this action of Merkel happened after I made the report.

Senator STERLING. Oh!

Mr. STOWELL. But, you see, then, when I heard of Merkel's action, I informed the officials in New York, and I believe that as a result of that information he was interned.

Senator OVERMAN. Whom did you inform?

Capt. LESTER. You are mistaken about that. He was not interned. Merkel was an American citizen.

Mr. STOWELL. Mr. Merkel told me that he was not an American citizen.

Senator OVERMAN. Whom did you inform in New York?

Mr. STOWELL. I supposed he was an American citizen when I was dealing with him about the report. Whom did I inform?

Senator OVERMAN. Yes.

Mr. STOWELL. I called up the police department and got in touch with the man who had charge of these investigations; and Mr. Coy—I think that was the name—came out and talked the matter over with me. Later he told me what they had found about Merkel, and he expressed appreciation of my letting them know and said they thought he was a very dangerous man.

Senator OVERMAN. Was that after you received the money from him or before?

Mr. STOWELL. That was after. As I explained the last time when I was speaking to the committee, I supposed that I was dealing with an American, and after I had completed the arrangement with him he came and told me that he was a German. Then he also told me that he was paying for this investigation himself, and I returned the check to him.

Then Prof. von Klenze, of Brown University, whom I have known as a teacher in the summer school at Columbia, wrote me a letter. He had succeeded Merkel as secretary of the German University League; and he wrote me that the German University League accepted all the arrangements that were made and wanted that carried out. I then accepted the check. You see, I did not take it from Merkel—and I would not have—but from von Klenze.

Senator OVERMAN. Why would you not take it from Merkel? Because he told you he was a German?

Mr. STOWELL. Yes; because he told me he was a German. When he told me that this German University League was all American, and he told me that these directors were Americans. I supposed, naturally, that the executive secretary would be an American; and somebody, I think, told me that he was an American, just as Capt. Lester has just thought so. The opinion was current. He spoke English perfectly.

Senator NELSON. Have you got out the second volume of your book?

Mr. STOWELL. No. I am working on that now, Senator, but I have also published some cases on the war; two volumes of cases of the war.

Senator NELSON. What tack are you going to take in this second volume?

Mr. STOWELL. What stand?

Senator NELSON. Yes; what tack are you going to take?

Mr. STOWELL. This second volume takes up the conduct of the war.

Senator NELSON. Oh, yes.

Mr. STOWELL. I am going to state what we did, our attitude coming into the war, and the German propaganda in this country.

Senator NELSON. Do you cover this propaganda from the beginning?

Mr. STOWELL. Partly. You see, Senator, I am concerned with the diplomacy of the war; and diplomacy is the question with which—

Senator NELSON. But you know a good deal of this German propaganda was carried on through the diplomatic representatives here, Bernstorff and Boy Ed and Von Papen and others?

Mr. STOWELL. Yes.

Senator NELSON. Do you embrace their activities in what you call the diplomatic arrangements?

Mr. STOWELL. I certainly do—the most extraordinary activities that the world has seen; the most extraordinary diplomatic activities. Of course, I shall embrace that as a very important part.

Senator OVERMAN. Sometimes when men volunteer to do things they put their foot in it. [Laughter.]

Mr. STOWELL. That is true, but in this country we are a country of volunteers, and when you see a chance to be of service that is the time to be of use, that is the time a man needs to be courageous.

Senator OVERMAN. You rose to defend Mr. Merkel. What was the purpose of that?

Mr. STOWELL. I rose to point out the insidious German propaganda, in which they are trying to blame Russia for a matter for which Russia was not entirely responsible. That idea was carefully strewn all over the country, and appealed to a great many people in this country; it had become prevalent, and it was a great injustice to the Russian people and Government. The idea as put out was this: "The Russian Government that was responsible no longer exists," they said; "therefore let us blame this old Government and everybody be happy"—because nobody was to blame.

Senator, if you will permit me to say something and not have it put in the record, in answer to that statement of yours that is not in the record: I knew that I was risking my position in Columbia when I started in and answered these German statements in the newspapers, and it aroused a great deal of opposition among certain pro-Germans; and while they could not directly attack me because of those articles, they attacked me indirectly, and they expressed their opinion that it was not dignified for a professor to write for the newspapers.

Senator NELSON. You made a statement that you knew you were risking your position in the university.

Mr. STOWELL. I did.

Senator NELSON. Why would it risk your position? Was the university—the administration of it—pro-German?

Mr. STOWELL. No; you could not say that at all, because President Butler had taken a strong stand for the allies, and many of the most influential professors had; but by coming out in the newspapers and constantly putting out articles on these questions, it gave the pro-Germans, the men who were hostile to me, a chance to talk.

Senator NELSON. In the faculty?

Mr. STOWELL. In the faculty. It gave them an opportunity to criticize me for doing something which they said they considered was not according to strict academic standards.

Senator NELSON. How many were there in the faculty that were pro-German in spirit?

Mr. STOWELL. This is strictly among ourselves. I don't want to go into that question, but I am perfectly willing to go into any question which the committee may desire to ask me about.

Senator NELSON. If it goes to the temptation that you were subject to, I think you may answer. [Laughter.]

Mr. STOWELL. Is this matter on the record now?

Senator OVERMAN. If you do not want it to go in, no.

Mr. STOWELL. If you want it in the record it shall be in the record. I have not anything to hide. Real publicity is a great thing for the country.

Senator OVERMAN. You had better answer the Senator's question. How many in the faculty were pro-German?

Mr. STOWELL. Why, it would be difficult to tell how many. There was Prof. Burgess, who was the former dean of the graduate faculty, in political science. He was emeritus.

Senator NELSON. I think I can help you out a little on this. How many members did you have all together in the faculty?

Mr. STOWELL. I don't know. I suppose about 40.

Senator NELSON. State as nearly as you can.

Mr. STOWELL. About 40. There might have been half of that number; I never counted them.

Senator NELSON. What proportion of the 40 was pro-German in particular?

Mr. STOWELL. Oh, I do not think a very large proportion. They were more "peace-at-any-price."

Senator NELSON. Well, that is the same as pro-German.

Mr. STOWELL. I think so.

Senator NELSON. Take the peace-at-any-price and the pro-Germans, what proportion of the 40 was of that kind? Half of them?

Mr. STOWELL. Do you mean only of our faculty, or do you mean the whole university?

Senator NELSON. I mean the whole faculty of the university.

Mr. STOWELL. Oh, I do not know at all. I was only in one faculty.

Senator NELSON. I thought you said there were 40 in that faculty.

Mr. STOWELL. Yes; in that faculty.

Senator OVERMAN. In that faculty of 40, how many of them were peace-at-any-price?

Mr. STOWELL. Those that were strongly peace men?

Senator OVERMAN. Peace-at-any-price.

Mr. STOWELL. Well, that requires definition again.

Senator OVERMAN. That is what you said.

Mr. STOWELL. Yes; peace-at-any-price and the men that early in the war had been pro-German, I should say that there were from 25 to 50 per cent.

Senator OVERMAN. Who made you lose your place in that institution?

Mr. STOWELL. Would you like to have me go into that? I am perfectly willing to do so; only, if I do, I want to go into it fully.

Senator OVERMAN. Did you lose your place on account of your anti-German publications?

Mr. STOWELL. That was the indirect consequence of my anti-German activity, in my opinion. It was a combination among those who

objected on that score and those who were really just as proally as I was but who did not consider that it was suitable for a professor to keep publishing articles in the newspapers.

Senator STERLING. When did you lose your place, Professor?

Mr. STOWELL. I resigned my position, but the action taken by the university was such that I felt that I ought to resign.

Senator STERLING. What was the occasion?

Mr. STOWELL. The action taken by the university was on the ground that the war required great retrenchment, and to meet that retrenchment they had, temporarily, to discontinue certain courses; and they appointed a committee to investigate what courses should be discontinued. That committee made a report; and, as I understand, the president of the university sent out letters to the men whose courses were suggested for curtailment. He sent out letters to all of those, as a matter of form. I received one of those letters, which stated that on account of the necessity of retrenchment it was considered advisable temporarily to cut down the courses and that mine was included.

Senator STERLING. Was that a course in international law, or a branch thereof?

Mr. STOWELL. That was international law; all my work was international law in that department.

Senator STERLING. Did you have the only work in international law?

Mr. STOWELL. No; Prof. Moore was the head of the department.

Senator STERLING. Prof. J. B. Moore?

Mr. STOWELL. John Bassett Moore.

Senator STERLING. Were Mr. Moore and yourself the only ones who had to do with that course, or who taught that course?

Mr. STOWELL. We taught different courses. I taught certain courses.

Senator STERLING. Both in international law?

Mr. STOWELL. All in international law. And there was another man there by the name of Henry Munro, who taught one other course.

Senator STERLING. In international law?

Mr. STOWELL. Yes.

Senator STERLING. Was his course discontinued?

Mr. STOWELL. No. He was an instructor.

President Butler had recently, before that, expressed approval of my work. Since this matter is on the record, I wish to make the complete statement of it because a half truth is a very pernicious thing; and since it is to be on the record here I wish to state the whole matter. It concerns academic freedom.

Senator NELSON. What is the use of going into that?

Mr. STOWELL. You brought this out, Senator.

Senator NELSON. That is a debatable question; that is an academic question.

Mr. STOWELL. No; but this matter, you see, is involved and now is on the record.

Senator OVERMAN. Were you being deprived of your academic liberty?

Mr. STOWELL. Yes.

Senator OVERMAN. By Columbia University?

Mr. STOWELL. Yes.

Senator NELSON. Do you not think you had been kicking over the traces a little in writing your book and in writing the newspaper articles? Was that part of your function as a professor?

Mr. STOWELL. Yes; when Germany was violating the law of nations and I was a professor of international law, I ought to do what I could to use my influence on the side of justice.

Senator NELSON. Do you not give your instruction in lectures?

Mr. STOWELL. Yes, I did.

Senator NELSON. You were supposed to confine yourself to lectures?

Mr. STOWELL. I had gone to the president of the university and was ready to resign in the fall before I did resign; and the president of the university expressed the highest approval of my work and wanted me to continue and said that they all liked my work; he had not heard any disapproval of it and liked the course I had taken.

Senator OVERMAN. You say you believe in publicity. In a great institution like the university, did you think that Dr. Butler was guilty of tyranny in that institution, and did not want to let the truth, as he saw it, come out?

Mr. STOWELL. In what way?

Senator OVERMAN. You said the university was depriving the men of their liberty.

Mr. STOWELL. I was put in the position where I was forced out because I had made a proper use of my academic freedom.

Senator OVERMAN. Was that the policy of the university? Do I understand you to say that?

Mr. STOWELL. Yes; that was done by the university.

Senator OVERMAN. That was the policy of the university, was it to deprive men of their liberty of speech?

Mr. STOWELL. That was done in this case.

Senator STERLING. Who prompted you to send in your resignation to Dr. Butler in 1914?

Mr. STOWELL. That was the matter that I suggested going into. You see, I am perfectly willing to tell the whole matter; there is no objection at all. The only reason I did not before, at the time I resigned, was because we were in a condition of war, and I did not think anything ought to be taken up to divert attention. If you would like to have me answer that question, I would be glad to go into it; but I do not want to answer it in a half way, that is all. I went to President Butler in the fall.

Senator OVERMAN. Do you mean to say it is the policy of the institution to deprive anyone of liberty of speech, in the interest of Germany?

Mr. STOWELL. No. President Butler was as proally as I was.

Senator OVERMAN. And he was against you because you—

Mr. STOWELL. No; he was for me—President Butler was; but he did not stand up for me when these other people were against me.

Senator NELSON. Was not this the trouble, Professor: That they thought you were milk and water—trying to carry water on both shoulders?

Mr. STOWELL. No; they did not think that. It would have been all right if it had been that. Nobody ever said that until it was said before this committee.

Senator NELSON. What is that?

Mr. STOWELL. This is the first time I have ever had that said of me.

Senator NELSON. No. But the description of your book and your activity and your review of von Mach's book—I may do you an injustice in saying this, but it rather leaves the impression on my mind that it was a kind of milk-and-water affair; that you were trying to be "good Lord and good devil" to both sides. Now, I may do you an injustice there, but I am just telling you the spirit that moves me.

Mr. STOWELL. I think you certainly do. Lord Bryce has published the statement that my book on the war was one of the best—he gave another one and mine as the best treatment of the war—that is to say, the best treatment of that phase of the war, the beginning.

Senator NELSON. It was not looked upon as a very pronounced pro-ally book, was it?

Mr. STOWELL. Yes; it was; very.

Senator NELSON. I am sorry I have not read your book.

Senator STERLING. A strange thing about that is, that in December, 1914, you were at a dinner with Drs. Albert and Hale, and then that you had association with Dernburg, the German exchange professor, and Rumely, and all those.

Mr. STOWELL. If you were writing a book about the war, in which you wanted to get both sides, you would go to every source of information to try to get it, and that was all that I did. At the time when I lunched with Albert and Hale I did not know anything about them. I did not know what Germany was at as well as I did later. Did you wish me to answer that question about the visit to President Butler, Senator Sterling?

Senator STERLING. No; I did not ask it as a question; I did not put it in the form of a question, exactly, but rather as a suggestion.

Mr. STOWELL. The reason that I had offered to tender my resignation—I did not offer to tender my resignation—but the reason I went to see the president of the university at that time was because there was so much friction caused by my writing in the papers, and I thought if it was a cause of dissension in the university I had better get out. That was really the gist of it.

In answering the implication in Senator Nelson's statement I do not wish to allow that to stand, because that would be the most serious implication that could be made against a man, in my opinion, who had studied the facts—to be pro-German or to carry water on both shoulders about it—because I was square from the shoulder in condemning Germany.

Senator NELSON. What I meant by that, Professor, was, that you were not pronouncedly on either side.

Mr. STOWELL. I was so pronounced that a great many people said that I ceased to be academic, and that was one of the scores that was raised against me. Now, I wish to say that when the Germans executed Capt. Fryatt, that I was the first person to protest. I was at Seal Harbor and I sent a telegram to the New York Times, and you

can find it in there; and it was several days after that before anybody else in the country raised any protest. I wish to state also that in an article that I wrote, that was published in the New York American, I set forth the policy, in regard to submarine warfare, that the Government afterwards adopted, and as far as I know I was the first one that set that policy forth. I wish to state further that the published correspondence of our Government shows that in an informal letter to the allied Governments, of January 18, 1916, Mr. Lansing, Secretary of State, suggested that the right to arm merchantmen be abandoned, and when that letter became public, some time later, and as soon as it did become public, I wrote an article protesting against any attempt to get the allies to abandon what was their right. The quid pro quo for this abandonment was to have been that the Germans would then observe the law, and I made the statement that it was a peculiar procedure to demand that one person give up his rights so that the other person would observe the law.

Senator NELSON. I think, on that point, you are evidently on the right track.

Mr. STOWELL. Then in a lecture at Columbia I told the audience that we ought to have gone into the war after the *Lusitania* and a lot of Germans in the audience got up and left, and I said, "That is the trouble, when you want to discuss these questions people will not stay and hear what you have to say," and a woman in the audience, in a broken accent, replied, "Vell, den, vy don't you say something dot iss true?"

I do not consider that as carrying water on both shoulders.

Then when we were on the point of going into the war, when President Wilson had broken off relations with Germany, there was a great deal of talk about armed neutrality, and a lot of the pro-Germans, or peace-at-any-price people, were writing articles in favor of not arming our vessels, which would have been, in my opinion, cowardly behavior, and I advocated declaring war on Germany and not that half-way procedure; and I organized with a group of men—I was one of them—a pilgrimage to come on here to Washington to advocate the declaration of war against Germany, and we came on here and we saw some of the Members of Congress and we drew up resolutions which were sent to President Wilson, and received a letter of thanks to the chairman of that committee.

Senator OVERMAN. Who was chairman of that committee?

Mr. STOWELL. Prof. Farnum, of Yale. Prof. Janeway, of Johns Hopkins, was on the committee, and Prof. Mitchell, of Columbia. if I remember correctly, and Prof. Thayer also.

Senator OVERMAN. And you say you organized this work yourself?

Mr. STOWELL. Yes; and then when that was over I went back to New York and I spent all my spare time organizing the Patriotic Service League in New York to do war work, and we have done all the war work in that part of New York City; we have done all the liberty-loan campaigns; we have done all the food matters. All of that has been done by this league that was there organized. And in the matter of getting up that organization and carrying it into another district I spent \$3,000. The purpose in my making this statement is only to cover this matter of the——

Senator NELSON. Did any of your league enter the fighting ranks of our Army?

Mr. STOWELL. The present president of the league is Mr. Coudert, and the——

Senator NELSON. I mean did they enter the fighting ranks of the Army—the Infantry, Cavalry, or Artillery?

Mr. STOWELL. Yes; one man, I think, who worked with me in the office volunteered, and while he was waiting to go into the Army he came there to the office at half-past 8 every day and worked until 5 as a volunteer worker—one of the finest examples of patriotism that I have ever seen; and then he went over there fighting, and has been on messenger service, which, of course, is very dangerous service; and he wrote me about that, evidently enjoying this opportunity for greater service. That was the class of people we had.

Senator NELSON. Yes; but he was not in the trenches?

Mr. STOWELL. Yes; he was in the trenches, and then he was in this still more dangerous service.

Senator NELSON. You said that he was in the messenger service?

Mr. STOWELL. Oh, he was carrying messages at the front. They were out in the open, at the front, and they were being shot very rapidly carrying the messages.

Senator NELSON. Oh, yes.

Senator OVERMAN. That was your clerk?

Mr. STOWELL. Yes; he was doing that work. This was all volunteer service. Later we had clerical assistance, but all this was volunteer service by the people there in the community trying to help in the war work.

Senator NELSON. There was a time, Professor, when we needed more soldiers than we needed these peace leagues.

Mr. STOWELL. This was not a peace league.

Senator NELSON. No; but I mean these leagues that there was such a multitude of in the country.

Mr. STOWELL. I told you that I never believed in this peace propaganda and I never had anything to do with it, because it was not calculated to help the country and it was on the wrong track. Patriotism was what was needed, and I realized that, and so I never had anything to do with these peace-at-any-price or peace-propaganda leagues.

Senator NELSON. No; but I mean there were so many leagues of all kinds.

Mr. STOWELL. We needed the military action first, of course.

Senator NELSON. Yes; of course.

Mr. STOWELL. I think that is all, unless there are any further questions.

Senator OVERMAN. What is your age?

Mr. STOWELL. Forty-three. I should have said that I was practicing law here.

Senator OVERMAN. You are practicing law here now?

Mr. STOWELL. Yes.

Maj. HUMES. There is one question that I would like to ask you. You stated that you had been importuned by attorneys representing the German Government to take up the German cause and do some writing or propaganda work in their behalf. When was that?

Mr. STOWELL. No; I can not say that I was importuned; that is a misunderstanding.

Maj. HUMES. My recollection is that you made that statement early in your testimony.

Mr. STOWELL. If I did, it is erroneous. What I thought I said was that I had been offered a retainer by one of the lawyers of the Germans interested in a matter involving international law.

Maj. HUMES. A retainer?

Mr. STOWELL. Yes.

Maj. HUMES. What was the issue in the litigation in which you were offered a retainer?

Mr. STOWELL. That was in the *Appam* case.

Maj. HUMES. That is the case of the steamship *Appam*?

Mr. STOWELL. Yes.

Maj. HUMES. Who were the attorneys representing the German Government in that matter who solicited your assistance and offered you a retainer?

Mr. STOWELL. Hays, Kauffman & Lindheim. Mr. Lindheim asked me.

Maj. HUMES. Yes.

Mr. STOWELL. And Mr. Coudert also asked me to prepare some material on the other side. Mr. Coudert sent me a check for \$200 and asked me to prepare a report on the matter contained in the Hague conference discussion. I returned him the check, because, as I told him, I did not wish to take money in these matters. I wished to keep entirely independent, but I would prepare for him the material and would send it to both sides.

Senator NELSON. Did you prepare such a statement?

Mr. STOWELL. I did. I translated a lot of the matters in the Hague conventions that related to the *Appam* case, and I sent copies to both sides.

Senator NELSON. Did you come to the same conclusion as the Supreme Court of the United States did in that case?

Mr. STOWELL. In the *Appam* case?

Senator NELSON. Yes.

Mr. STOWELL. No; I did not. I considered that it was to the American interest, as we used to be before you have a league of nations, to be able to intern its prizes in different parts of the world. I did not make any statement. I just brought out what the Hague had said and made translations. That was a matter of documents, really, bringing that material together, and that was really what Mr. Coudert wanted.

Senator NELSON. You did not draw any conclusions, then, from the authorities you quoted?

Mr. STOWELL. No. That was what Mr. Coudert really wanted me to do, because he knew I had been at The Hague and he wanted me to investigate that particular matter for him.

Senator NELSON. The Supreme Court took a different view from the authorities you cited in your brief?

Mr. STOWELL. No; they took a different view from what I thought was the law.

Senator NELSON. Well, that is what I meant.

Mr. STOWELL. And if the matter ever goes to arbitration I should expect the Supreme Court to be reversed on it, as has happened once or twice in our history.

Senator NELSON. That is, you do not think that the decision of the Supreme Court closed the matter?

Mr. STOWELL. I do not know as it will ever go to arbitration again, because so many of these questions are settled by the war; and I do not think that will ever be raised.

Senator NELSON. You think that the Supreme Court made a mistake?

Mr. STOWELL. I think they were mistaken in that case.

Senator NELSON. In that case?

Mr. STOWELL. Yes.

Maj. HUMES. What newspapers were you writing articles for, aside from the book that you wrote?

Mr. STOWELL. I wrote for every newspaper that asked me, on condition that when I was asked for an article I might also give it to any newspaper that wanted it, and that if I gave an article to the newspaper it must print it and print it exactly as it was; that was so to protect me from doing useless work for them and also to be sure that if they wanted to get what I considered was an expert and fair opinion they would get it; and when they did not know, or did not think they knew, what the answer would be, they were sometimes afraid to ask my opinion for fear they might get what they didn't want to print.

Maj. HUMES. You are getting away from the question of the newspapers. What newspapers did actually ask you to write for them and did you write for?

Mr. STOWELL. I wrote for the Times, the World, the American, the Tribune, and the Herald. What other papers are there in New York? I do not remember for the instant. I wrote for the Sun.

Senator NELSON. Did you ever write for the Mail?

Mr. STOWELL. Never.

Senator NELSON. Or the American?

Mr. STOWELL. Yes.

Senator NELSON. Or the Journal?

Mr. STOWELL. No; I never wrote for the Journal.

Senator OVERMAN. All of these articles you wrote at the request of the papers themselves?

Mr. STOWELL. Yes.

Senator OVERMAN. Or did you write them voluntarily and put them in?

Mr. STOWELL. I wrote only one or two articles voluntarily. The Fryalt case was one on which I wrote voluntarily.

Senator NELSON. Did you get paid for these articles?

Mr. STOWELL. Only in two or three instances. I wrote also for the magazines, and I got some pay from those articles in the magazines.

Senator NELSON. What magazines?

Mr. STOWELL. The Outlook and the Century and the New Republic and the Nation. I think that was all. Is that all, Mr. Chairman?

Senator OVERMAN. That is all, sir.

In honor of our deceased ex-President, Theodore Roosevelt, this committee will follow the action of the Senate of the United States and adjourn at this time.

(Whereupon, at 11.55 o'clock a. m., the subcommittee adjourned until to-morrow, Thursday, January 9, 1919, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

THURSDAY, JANUARY 9, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, Wolcott, Nelson, and Sterling.

Senator OVERMAN. The committee will come to order. Mr. Bielaski, will you take the stand?

TESTIMONY OF MR. A. BRUCE BIELASKI—Resumed.

Maj. HUMES. Mr. Bielaski, there has been a statement made here with reference to the activity of an agent of your department, or an alleged agent of the department, by the name of Ambrose. The statement has been made that while he was in the employ of your department he was doing work for the Northern Trust Co. in connection with some litigation that they were interested in with reference to Gaston B. Means. Will you state as to whether or not Ambrose was ever used by the Northern Trust Co. while he was on the pay roll of the Department of Justice, or in your employ?

Mr. BIELASKI. I think all those facts were fully brought out in the litigation. Mr. Ambrose was an agent of the Department of Justice—had been for a considerable period of time. He asked for and was granted leave of absence from the department and went into the employ of persons who were interested in the prosecution of Means in a State case down in North Carolina. He worked on that matter for quite a period of time, returned to the employ of the department, I think for two days, or something like that, and resigned, and, I think, continued in the employment of that Chicago company, whatever the name of that company was, which was interested in the financial side of the Means transaction.

Maj. HUMES. Was he under your control or in the service of the Federal Government during the time that he was doing this work for the Northern Trust Co.?

Mr. BIELASKI. Oh, in no way; except that, of course, we might have recalled him from leave of absence at any time, had we seen fit. After that he never even returned to the department, except for a period of two days or something like that; just a nominal time.

Maj. HUMES. During this time that he was on leave was he in the pay of the Department of Justice?

Mr. BIELASKI. I do not recall whether any of his leave was with pay or not. I think not. I think it was without pay.

Maj. HUMES. Yes.

Mr. BIELASKI. But that is all a matter of record.

Maj. HUMES. And if there was any of it with pay, it was because of a vacation that he was entitled to?

Mr. BIELASKI. Yes.

Senator OVERMAN. Mr. Bielaski, did you have any correspondence with this company to release this man at his, Ambrose's, request?

Mr. BIELASKI. It was at Ambrose's request, because the compensation offered him, of course, was much larger than the Government was paying him. It was an opportunity for him.

Senator OVERMAN. You had no correspondence with the company?

Mr. BIELASKI. None that I recall. I do not think I even knew that he went with them.

Senator OVERMAN. Yes.

Mr. BIELASKI. Of course, we had some slight interest in anything that might be developed concerning Means, in so far as it would affect his employment by the German Government.

Senator OVERMAN. There was a man by the name of Olsen, was there not, that Mr. Means spoke about?

Maj. HUMES. Yes; he also stated that a man by the name of Olsen, a special agent of the Department of Justice, was concerned in this matter. Have you any knowledge of that?

Mr. BIELASKI. I have no knowledge of any such person or transaction, and I have been informed by my office that they have searched the records of the department and that no such employment ever existed.

Maj. HUMES. You have not any record of a special agent by the name of J. T. Olsen?

Mr. BIELASKI. I have been informed by the office that there is no record, and I have no personal knowledge of any such thing, at all. The records have been very carefully searched, as I understand, by the officials in the office, by the appointment clerk's office, and the disbursing clerk's office, and in every way by which the name might be discovered.

Maj. HUMES. Is there any other question that the committee wanted to ask concerning this particular matter?

Senator STERLING. I have none. The chairman may have some questions.

Senator OVERMAN. I understand you to say you had nothing to do with this surety company?

Mr. BIELASKI. Oh, no, nothing at all; except we furnished, for the information, I think it was, of Means's attorneys, a complete statement of his exact relations with the department; I think, possibly, we furnished you like information of some man, and we had produced the facts through proper witnesses in Chicago at the time of the trial.

Senator OVERMAN. The trial in Chicago?

Mr. BIELASKI. Yes; there was a trial in Chicago—I do not know who the parties to the action were, but Means was one of them—over

the will, I think it was, of this Mrs. King who was killed in North Carolina. They desired to show in evidence there the exact relation of Ambrose to the department during the time he was working in the case, and we had the head of our Chicago office testify to the facts.

Maj. HUMES. Mr. Bielaski, the attention of the committee has been called to what is commonly known as the German Insurance Pool, and the committee would like to have you supply them with such information as you can as to the operation of that pool and the purpose of it and the extent of its activities.

Mr. BIELASKI. I assume you mean the German Marine Insurance Pool?

Maj. HUMES. Yes.

Mr. BIELASKI. There was a German Fire Insurance Pool, which matter is really pending in the office of the United States attorney in the southern district of New York, and I do not think it is in shape to be discussed publicly. But the Marine Insurance Pool—

Maj. HUMES. That is what I refer to.

Mr. BIELASKI. Mr. De Woody, who was the head of our New York office, and Special Agent S. O. Vanderpool of that office, made quite an extensive investigation into that question, because at the outset of the investigation it seemed as though there was a very great possibility—probability—that the plan had been carried into effect and was still in operation. It developed, however, that it was a plan which never was consummated. The reports are very lengthy and contain very copious extracts from the original records. But the main facts are that in 1914 the German marine insurance companies came largely into the marine insurance business in the United States, which had before that time been very largely done by English companies and to some extent by American companies.

So that when the war broke out—in August, 1914—a man named Franz Hermann, who was an alien German, was at the head of the firm known as Hermann & Co., and was the New York representative of the Nord-Deutsche Insurance Co. and the Mannheim Insurance Co., two German insurance companies. He was also the representative of—I think they called it—the Atlantic division of the Fireman's Fund Insurance Co., of San Francisco, of which J. B. Levison was the head, and who maintained very intimate relations with Hermann.

After the war broke out the question of marine insurance became a very important one indeed for the German Government, because the English companies would not insure cargoes or vessels intended to carry goods to or for blacklisted firms, nor would they insure cargoes destined to neutral countries adjacent to Germany, anticipating that those cargoes might be sent to Germany. So that the question of marine insurance was a very important one for the German people. They could not move their goods either to South America or to neutral countries in Europe without some form of insurance.

They formed in Germany two insurance pools, for the purpose of lending additional funds and additional credit to the representatives in this country, so that they would be in a position to take care of cargoes and vessels which might appear.

While there were two funds, there does not seem to have been any particular distinction except as to one of them. They could insure sailing vessels and certain other classes of vessels. The man who handled it in this country said that their having made these two funds was due largely to their not understanding the exact situation over here rather than to any necessity for an exact division.

The German Government participated to some extent in these funds; just the exact proportion I do not know, but to such an extent that Albert was made one of the commissioners representing the pool and Herrmann the other. The arrangement was that Albert must O. K. all insurance written and that no losses could be paid without his approval. So that the whole transaction was under the control and direction of Albert as an official of the German Government. In addition, he had an arrangement whereby he was paid 2 per cent on the money that the German Government had put into the pool.

At some time, I think early in 1915, Mr. Wade Robinson, who was a member of Hermann's firm, went to Germany and had a conference with the people over there who were interested in this matter, and perfected these arrangements. He was given at that time a letter of introduction by Mr. Bernstorff, and all of his work was furthered by the German Government.

The record is full of correspondence between the German Government in Berlin and their representatives over here, discussing the details of the pool, which I do not think are worth reading except in small part. I will leave this report with the committee, so that if there is any part of it that is interesting to them it can be put in the record.

November 17, 1915—this appears on page 15 of this report, if you want to verify it at any time—Albert reported to the department of the interior in Berlin that he had opened two credits for the firm of F. Herrmann & Co. to the amount of \$500,000. These credits were secured by depositing with two banks, one the Merchants' & Metals National Bank in New York City and the other the Mannheim Insurance Co., \$500,000 of Imperial German Treasury 5 per cent notes as collateral for the notes or promises to pay in that amount of the company. He also put up \$500,000 in an identical arrangement for the Nord-Deutsche Co. at the Chase National Bank of New York City. These additional securities were put up for the purpose of increasing the insuring capacities of the companies to handle the business. The Wagner steamship lines desired insurance to make regular trips to South America, and it was necessary, to satisfy the insurance commissioner of New York, that they have additional security. It was a rather flimsy transaction, however, because Albert had an understanding with the companies that they could make no use whatever of this collateral, in the way of disposing of it, without his consent.

Beginning about this time, Albert's office began to look forward to the possibility of severance of diplomatic relations and the possibility of this country getting into the war, and they wanted to save for the German companies and the German Government their insurance business. So that they contemplated the organization of what they called an American company.

I should say before going into that, that the German ambassador and Albert's office circularized people, confidentially, in South America and in the United States, including quite a list of people, about the desirability of patronizing these German insurance companies, so that the Government was able to throw a large amount of business to the German companies through the confidential circular and the confidential letters of Albert and Bernstorff. They also organized an insurance department in the firm of F. Stallforth & Co., for the purpose of handling some of the South and Central American insurance business which the firm of Herrmann & Co. were not so well equipped to handle, in the judgment of Albert, as expressed in a memorandum which he prepared. Stallforth & Co. had been engaged in banking and similar business in Mexico and were possibly more familiar with Spanish and Latin American conditions than were Herrmann & Co. They first considered, before they considered the possibility of organizing an absolutely new company, the use of the Fireman's Fund Insurance Co. which I mentioned. Mr. Herrmann, I think it was in a memorandum to Albert, after reviewing the situation as to the organization of companies here, said:

Possibly, even in case of war, there might still be a possibility for us to work out some scheme by which part of the business may be saved to those two companies, and that is by re-insuring the Fireman's Fund Insurance Company, to which company all the Mannheim's and Nord Deutsche's business would be transferred, with a company of a European neutral country, which in turn could re-insure the business thus received with the Mannheim or the Nord Deutsche.

That is, the parent companies in Germany. So they would ultimately get the benefit of the insurance done over here.

While it is possible that the Fireman's Fund would not object to our making an arrangement of this kind at the beginning of a war, nobody can foretell what their attitude might be if a state of war between the United States and Germany existed for any length of time, and surely nobody can foretell what they might be forced to do by what is called public sentiment.

And then he goes on and tells about the experience they had with the English companies. Certain of them wanted to maintain their contractual relations with Hermann & Co. which they had before the war, but the pressure, of course, from the Government prevented. Herrmann & Co. represented not only the German companies but certain English companies before the war started.

Herrmann's suggestion for the formation of an American company was favored immediately and strongly by Albert and by Borge-meister, who was Albert's assistant in the office and who was specially concerned in the handling of this insurance work. He was the deputy commissioner for the insurance pool and handled the credit of the business. Robinson was the deputy for Herrmann also.

He goes on and suggests that "the company could be established at a nominal expense by securing dummy stockholders," men that they could trust to act for them, and said, "We should be able to place formal ownership in the hands of important men of affairs, men who would merit our confidence and the confidence of the business community." He believes that \$25,000 would fully cover the expenses of establishment of the company, including "remuneration to certain trusted parties appearing as stockholders but holding stock for us." And he lists a number of names here, most of whom are

known: Mr. Reisinger, Mr. Nagel, Mr. McHugh, Mr. Wing, Mr. Pav-enstadt, Mr. Edenborn, Mr. Horwitz and Mr. Chandler. He suggests that they should have a two million dollar capital, part of which would be supplied by the use of treasury notes, and that they would immediately take over or have the advantage of taking over all of the business that Herrmann & Co. were doing, so that it would be a profitable venture from the start. They suggested various names, and stated that many suitable names have already been appropriated, including "America," "International," "American," "United States," "National," etc., but determined upon "Republic Insurance Company" as a suitable name.

Senator STERLING. What is the date of that?

Mr. BIELASKI. It begins running through 1916. That was about July, 1916. This memorandum is dated July 7, 1916. Albert reported the proposition to the German Government at Berlin. I think that memorandum that you asked the date of was June 9, 1916. There is quite a lengthy memorandum here from Berlin, inquiring into the details of how this could be done. It is not of any particular interest except he says:

Could not, through the election of shareholders, the fact that the deal concerns a German foundation, be kept a secret, at least for the duration of the war, so that there need be no fear of difficulty of concessions on the part of political influential American officials? The Mannheimer Insurance Company deems the acquisition of concessions as sufficient.

And they ask whether \$2,000,000 would be absolutely requisite. Showing the close participation of the Berlin people in the organization as contemplated.

This arrangement for an American company, however, never was actually carried into effect, probably because of the entry of the United States into the war before it could be. There was, however, an interesting development which I think the committee would be interested in, in which the same people were involved, showing their intention to deceive. This memorandum says:

The company must have throughout a purely American appearance. Consequently the shares must all be taken, a smaller part actually, the balance formally, by Americans. I have considered, for the actual undertaking by the American stockholders, about ten per cent.

A great deal of this report relates to the actual business that they did, which is not of any particular interest, I take it, to the committee except that it shows that in all instances anything of any consequence had to be approved by Albert's office.

July 26, 1917, Mr. O. G. Orr, who had been a member of the partnership F. Herrmann & Co., made a public statement, in which he said:

In view of misstatements which have appeared recently in the public press.

First. That on April 10, 1917, the partnership existing between F. Herrmann, O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and F. H. Osborn (being all the partners of F. Herrmann & Co.) was dissolved by mutual consent, all but Mr. Herrmann withdrawing. The five other than Mr. Herrmann formed the corporation of O. G. Orr & Co., Inc.

Second. That O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and F. H. Osborn are the sole and unconditional owners of all the stock of O. G. Orr & Co. Inc., and constitute all of the directors and officers of the corporation.

Third. That since that date O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and F. H. Osborn have had no connection, directly or indirectly, with F.

Herrmann or with F. Herrmann & Co., nor has F. Herrmann or F. Herrmann & Co. had any connection with O. G. Orr & Co., Inc., in any way whatsoever.

Fourth. That at the time of the separation above mentioned O. G. Orr & Co., Inc., continued to occupy the offices formerly occupied by F. Herrmann & Co., under a transferred lease, and that they also engaged a large number of persons formerly employed by F. Herrmann & Co., among whom was one girl, the daughter of a naturalized citizen of the United States, who was born in Germany and had never been naturalized. At present there are in the office of O. G. Orr & Co., Inc., about 160 persons (including the officers and directors of the corporation) of whom three (and three only) were born in Germany, and of whom only one, the girl above mentioned, remains unnaturalized.

Fifth. That O. G. Orr & Co., Inc., had nothing whatever to do with locating the offices of the present firm of F. Herrmann & Co. in a building adjacent to the one in which their offices are located, and that no significance attaches thereto.

Sixth. That there are no German interests whatever in the companies represented by O. G. Orr & Co., Inc., as stockholders or otherwise.

Seventh. That the only dealings O. G. Orr & Co., Inc., has had with F. Herrmann & Co. were excess reinsurances under an old treaty between one of the companies represented by O. G. Orr & Co., Inc., and one of the companies represented by F. Herrmann & Co., which reinsurance treaty was cancelled on July 13, 1917, by the terms of the President's proclamation of that date and the necessary exchange of correspondence and remittances arising out of the reinsurance transactions closed prior to April 10, 1917.

Eighth. That since July 13, 1917, there have been no dealings between the two offices except those absolutely necessary in closing old matters as described above and permitted by the President's Proclamation.

Ninth. That there exists no agreement or understanding of any nature as to any future dealings with the German companies or with F. Herrmann & Co., or with F. Herrmann.

The facts were that when this ostensible change was made, for the purpose of appearing to eliminate from Herrmann & Co. the interest of Franz Herrmann, an alien German, that it was simply a pretext, as will appear from what happened.

Senator STERLING. Is Orr's statement by affidavit, Mr. Bielaski?

Mr. BIELASKI. That was a published statement, Senator.

Senator STERLING. That was just a published statement?

Mr. BIELASKI. There are a number of statements here giving the details of this matter, from Orr and Herrmann and so on, that I am going to leave with the committee. They go over all of the details of the thing. I hardly think you care to have them read, as it would take a very long time, but I am going to leave this whole matter with the committee.

When Mr. Orr was first interviewed he specifically denied that Herrmann retained any interest or had any financial relations with the new corporation of Orr & Co. Then he admitted that Herrmann had made a personal loan to Orr of \$50,000.

In going over the records it was established that at the time of the dissolution of the partnership Franz Hermann's interest in the company was \$50,019.27.

Mr. Orr was further questioned, and he admitted that the \$50,000 transaction was a loan in theory and that it was the \$50,019.27 which was Herrmann's interest in the company, which was left in the new corporation, which they had pretended to completely divorce from Herrmann, and that all the records, assets, and business of the former partnership of Herrmann & Co. continued uninterruptedly and passed as a common and undivided whole into the new corporation of Orr & Co., except that the name of Herrmann was left out;

that on May 26 they determined, according to Mr. Orr's statement, that Herrmann ought to be paid out or eliminated at least in theory from the corporation of Orr & Co. That Orr proposed to give to Herrmann his personal note to cover Herrmann's interest or "loan," and that Orr then demanded of each of the other incorporators of Orr & Co. a personal note to Orr, representing the amount of liability of each, this liability being proportionate to the stockholding of each in the corporation of Orr & Co.; that Orr & Co. paid to Herrmann a check of \$20,000, leaving a balance of \$30,019.27. May 23 they determined to pay off the balance, or to make a pretext of doing it, and Orr delivered to Herrman in cash or its equivalent, \$30,019.27. Of the latter amount Orr himself put up approximately \$14,845.79. These payments aggregated exactly \$50,019.27, which, if they had been made in good faith to Herrmann, would then have bought off all of his interest in Orr & Co. But on May 23 Herrmann handed back to Orr his check for \$14,845, and on that day delivered to Orr bonds of approximately the value of \$35,000.

Orr stated that his theory of the transaction was that they paid off Herrmann and that Herrmann then loaned them back just what they had paid him off. He admits that they turned right back into the corporation the funds.

Herrmann, in his examination, stated that the company did not have the ready cash, and had to have his money to carry on the business.

On November 3, 1917, another effort was made, apparently, to eliminate Herrmann from the firm of Orr & Co. This was considerably after this published statement of Mr. Orr.

A dividend aggregating \$50,000 was declared. Each stockholder then immediately indorsed his dividend check over to Orr, adding a few dollars each to make up the \$19.27, and on November 13 this aggregate amount was again paid over to Franz Herrmann.

During the time that Orr was in Herrmann & Co. he received a salary of about \$1,000 or \$2,000 a year, and the other men received smaller salaries.

When Orr & Co. was created, Orr's salary was fixed at \$6,000 a month. The present salaries are: Orr, \$6,000 per month; Osborne, \$6,000 per month; Wall, \$4,000 per month; and C. R. Osborne, \$4,000 per month; it being the theory of our agents that these excessive salaries were the manner in which the profits from the business were paid to Herrmann.

Mr. Orr admits that, in June, 1918, he personally loaned to Herrmann \$40,000, which amount he raised by subscribing it himself and his associates in proportion to the capital stock each one held in Orr & Co.

As a matter of fact, in May, 1918, the company had declared a dividend of \$65 a share.

Again in September, 1918, Orr admitted that he personally delivered to Herrmann \$40,000, which he also stated was a loan, but admitted that he took no note or any evidence of indebtedness of any kind from Herrmann.

Herrmann & Co. had been denied by the Treasury Department a license to engage in the insurance business, as had the Nordheim and the Norddeutsch, the companies they represented; so that this

was a concealment of Herrmann's interest—an alien German's interest—in this particular business. I do not know whether he might not have openly maintained his interest in the company, so far as the law was concerned, if he had elected to do so.

Senator OVERMAN. He was refused his license to do business and then this was the method they adopted in order to continue in the insurance business?

Mr. BIELASKI. In order that it should not come to the attention of the authorities that he was connected with this other company. This other company had been granted a license. The whole proposition amounted to a concealment from the public and from the people with whom they were doing business of the interest of an alien German in it.

You can see how important that was to the business, from the fact that Orr made the statement he did publicly, denying absolutely any interest of Herrmann in this concern.

We have no doubt whatever that Herrmann continued to be the dominating influence in and the brains of the organization, largely, as he had been before.

Maj. HUMES. What was the end in view with reference to maintaining an organization; for the perpetuation of German interests after the war? Was that one of the elements of the plan?

Mr. BIELASKI. Yes; the original plan of the German Government, which Albert and Borgemeister were working out with Herrmann, was the organization of an American company through which they intended to carry on the insurance business in this country during the period of the war, while we were at war—under the guise of an American company—all the time we were at war; and, of course, to maintain it intact with all their connections and relations, for business after the war. They hoped to get a monopoly of the business over here and eliminate the American and English concerns.

That is, I think, substantially the story of the marine insurance pools as they were formed and of the company that was contemplated and of the actual actions of Herrmann and his associates. I will leave all of these papers with the committee, containing the details.

(The matter submitted by Mr. Bielaski is here printed in full in the record, as follows:)

UNITED STATES DEPARTMENT OF JUSTICE,
BUREAU OF INVESTIGATION,
OFFICE OF DIVISION SUPERINTENDENT,
New York City, October 7, 1918.

GERMAN INSURANCE POOLS.

Evidence is at hand which conclusively establishes a conspiracy, beginning in 1915. * * * to maintain through the period of the war the domination by German interests of the marine insurance business in the United States, by means of secret agreements between representatives of the German Government and of the several marine insurance companies constituting the so-called German group in the United States, and their combination into a so-called "Pool," the project being supported financially, and to the extent of at least one million dollars, by the German Government pledging its bonds with several New York City banks, which latter, in turn, advanced the cash to the two insurance companies dominating the Pool.

The general supervision of the marine insurance business in the United States, through the Pool, was vested in Dr. H. F. Albert.

The principals in this conspiracy were, and are:

1. Herr Richter, Privy Imperial Councillor of the German Government at Berlin.
2. Dr. Bruders, Director of the German Insurance Bank of Berlin.
3. Count von Bernstorff, Ambassador to the United States.
4. Dr. H. F. Albert, High Privy Councillor of the German Government, accredited to the United States.
5. Franz Herrmann, of New York, Manager of the Nord-Deutsche Insurance Co. and Mannheim Insurance Co.
6. Wade Robinson, of New York, confidential assistant to Herrmann.
7. Orton G. Orr, of New York, also confidential assistant to Herrmann.
8. Paul Wolf, of New York, special emissary of the German Government to act as assistant to Albert and Herrmann for the German marine insurance interests.
9. F. A. Borgemeister, confidential assistant to Dr. Albert, who represented Dr. Albert in the active management of the Pool.

Of the foregoing, the first four named are at present in Germany.

The fifth, Franz Herrmann, an alien enemy, is now in the United States. He was for some years the head of Franz Herrmann & Co. of New York, the consolidated agency for the Mannheim and Nord-Deutsche Companies, and had, up to the time of the entrance of the United States into the war in 1917, as his two principal confidential associates, Wade Robinson and Orton G. Orr. In April, 1917, Robinson and Orr claim to have separated from Herrmann, and in November, 1917, the Nord-Deutsche, Mannheim, F. Herrmann & Co., and Herrmann himself, were, by refusal of the Treasury Department to re-license, retired from the marine insurance field.

Wade Robinson, an American citizen, is at present in New York City.

Orton G. Orr, whose citizenship is not definitely known, is likewise in New York City.

Paul Wolf, an enemy alien, now in New York City, was a comparative newcomer in the Herrmann firm. He is rumored to have been placed in the firm by officials in Berlin to check against Herrmann.

F. A. Borgemeister, an enemy alien, is now interned at Fort Oglethorpe. He was the assistant of Dr. Albert and known as the German Paymaster in the United States.

Carl Schreiner, who has not been mentioned in the foregoing list as a leading conspirator in the plans, is important nevertheless as President of the Munich Re-Insurance Co., intimately associated with the re-insurance of the Pool. Schreiner is now in the United States and is an enemy alien.

Up until about the year 1914, the British marine insurance companies dominated the business in the United States, the German and American marine business being negligible. About 1914 German interests entered the marine insurance field in the United States by the establishment here of American branches of the two great German marine insurance companies, the Nord-Deutsche and the Mannheim, the United States managership of both being vested in Herrmann & Co., and by August, 1914, at the outbreak of the war, the German companies had become a large factor in the marine insurance business in this country.

Marine insurance is dependent for its development, not only on the friendly patronage of the assured, but also upon the financial strength as represented by paid-in capital and surplus of the insuring companies, together with their interrelations in a given group, enabling re-insurance and consequent facilities for the distribution of risk and the ready absorption of large lines of insurance.

The German marine group in 1914, in the United States, consisted of the American branches of the Nord-Deutsche Insurance Co. and the Mannheim Insurance Co., these two re-insuring with the Russia ReInsurance Co. (technically a Russian re-insurance company), the Munich ReInsurance Co., and the Fireman's Fund Insurance Co. of San Francisco.

Of the latter three reinsurance companies, the Munich was the largest, and its American branch and interests were represented by Carl Schreiner.

The Russia, although technically classified as Russian, transacted its marine business under the supervision of the Berlin branch, which had been for some time under the management of Carl Sturhahn, at that time a German subject and a German Reserve Officer. Sturhahn came to the United States from Berlin, became the American manager for the Russia Company, and obtained American citizenship at the outbreak of the war.

The Fireman's Fund Insurance Co. of San Francisco, although so far as known an all-American Company, was, and is, under the control of its President J. B. Levison, and the intimate relations and connection between Levison and his Company with the German marine group, which resulted in the transaction of an enormous re-insurance business between them, will become apparent from a perusal of the evidence hereinafter presented. The Atlantic Marine Department of the Fireman's Fund Co. was operated under the management of Franz Herrmann.

The evidence presented herein discloses in minute detail the plan, led by Albert and Herrmann, to effect a domination of the marine insurance field in this country by pro-German interests, through the Pool, and recites a remarkable history of the manner in which the Germans anticipated the elimination of the Mannheim and Nord-Deutsche Companies following the outbreak of the war between the United States and Germany, and conspired to continue the business in German interests by the formation of new American and neutral companies with dummy stockholders secretly holding for German interests the stock of so-called American companies, and with secret agreements between the latter as to re-insurance and distribution.

The American Merchant Marine Insurance Co. was taken over by Wade Robinson coincident with the retirement of Herrmann and the Nord-Deutsche and Mannheim Companies from the field. O. G. Orr & Co. was organized by Orr, Herrmann's assistant, in April, 1917. The Scandinavian-American Assurance Co., a Swedish Company, bought entrance into the United States during the latter part of 1916, when its American interests came under the management of the newly formed corporation, O. G. Orr & Co., so that the entrance of these three Companies into the American field was generally coincident with the retiring of the Mannheim and Nord-Deutsche, and the latter's alien manager, Herrmann, exactly in accordance with the plans revealed by the evidence herein * * *.

The story is related quite fully by the documents at hand, and little is needed except to quote therefrom. *Every quotation is from an original document now held at the New York office of the Bureau of Investigation*, and being either the original letter or the original office file carbon copy of same.

DOCUMENTARY EVIDENCE.

The first reference to the proposed Pool is the office file copy (*Document 1*) of what is believed to be a radiogram, signed "Bernstorff", to Berlin, and, although undated, from its context was probably sent after the outbreak of the war and in the latter part of 1914. It reads as follows:

"Urgently recommend to induce German Insurance Companies cooperation capable insuring and reinsuring up to not less one million dollars on hull and on cargo provided such insurance is upon interests destined for or owned by other than enemy countries. Situation here exceedingly urgent on account English insurance companies embargo against insurance on all merchandise destined to Scandinavia or other countries adjacent to Germany, Austria or Turkey. Facilities required should be placed in hands of representatives of German companies. Premiums at present obtainable are 30 to 100% higher than normal risks. Are regular in every respect. Premiums first class business at present applied for in Herrmann's office alone about \$300,000. Authority should also be granted to accept war risks corresponding amounts subjects either usual New York clause, i. e. free of Allies capture or so-called Herrmann neutrality clause. Latter preferable account banking requirements and very high rates obtainable. Additional financing to secure policy holders can probably be easily arranged through me. Decline of sterling exchange greatly enhances German Companies' opportunities and arrangement suggested would guarantee greatly increasing their and German prestige generally and facilitate most necessarily shipments from this country to neutral ports."

The foregoing radiogram by Bernstorff was evidently compiled from a memorandum from Albert to Bernstorff (*Document 2*), undated, and reading as follows:

"On account of English pressure, numerous former clients of German insurance companies insist on placing business with American companies. German ownership of American insurance companies therefore highly desirable in order to retain business and influence. Request authorization to form American Insurance Company capital and surplus two million dollars, to operate as adjunct

to insurance company 1914 and to assist insurance pool. Political and business reasons make venture highly desirable. Necessary funds are available for purpose. Vacancy created by withdrawal of English companies from office of F. Herrmann & Co. who are ready to take management of company, assure substantial and lucrative business for company. Company would prove very beneficial and important factor when business relations between United States and Germany are re-established, and would afford necessary protection against English measures in insurance market and against their blacklisting. Furthermore company would prove valuable assistance in breaking English hold on insurance in this market and strengthen our influence in insurance on American Continent. Incorporating and establishing of company would entail limited expenses only and as funds of company must be invested in liquid first-class securities, company could be liquidated without difficulty or loss when normal business conditions again prevail."

* * * Wade Robinson visited Berlin, upon his first trip in connection with the Pool organization, early in 1915, and the first record of that appears is a letter (*Document 3*) dated New York, January 20, 1915, from Albert to Dr. Trautmann, Wilhelmstrasse 74, Berlin, reading as follows:

"I beg with these lines to introduce to you Mr. Wade Robinson. Mr. Robinson is partner of the firm F. Herrmann & Co., who have here in New York the representation of both German insurance companies—the Nord-Deutsche and the Mannheimer insurance company. He intends to immediately take up the question of insurance with the German companies, to induce the latter to a broad policy on the American market.

"Would your Excellency make arrangements that Mr. Robinson be supported as much as possible in his undertaking, and that if possible all German insurance companies agree on a common policy.

"I beg to refer humbly to my last report of December 27."

Document 4 is a list of the original subscribers to the German Marine Insurance Pool, which subscribers were obtained by Wade Robinson on the occasion of his visit to Germany, and which subscription aggregated \$1,250,000, and was later increased by a subsidy supplied by the German Government itself.

Document 5 is a letter from Herrmann & Co., which, according to the initials was dictated by Wade Robinson, to the Mannheim Insurance Co. at Mannheim, Germany, dated July 14, 1916, and transmitted via the submarine "Deutschland", from which it appears that Franz Herrmann and Dr. Albert are the Commissioners for the Pool, with Wade Robinson and F. A. Borgemeister Deputy Commissioners, representing Herrmann and Albert respectively. This letter reads in part as follows:

"By special permission we have the privilege of addressing one letter to you for mail by the Submarine 'Deutschland'.

"We cannot refrain from an expression of congratulation to Germany and all Germans, and particularly to your good selves, over the achievement of the 'Deutschland'. We sincerely hope her return voyage will be safe and short and that other vessels of her type will soon follow.

"Up to date the new reinsurance contracts have not come to hand, but Mr. Robinson has explained the arrangements to Dr. Albert, advising him of his appointment as Commissioner, and he has formally accepted the appointment. We have also furnished him with a copy of the memorandum relating to the agreement which was forwarded to Mr. Robinson in care of Mr. Herrmann at Christiania. * * *

"All of the business of this class so far written has been with the full knowledge and consent of Dr. Albert and in connection with most of it he has even gone so far as to urge us to write it, because of the advantage that will thereby accrue to German interests.

"We have exhibited this letter to Dr. Albert and have requested him to initial it so that it will serve as a documentary record to exhibit to Dr. Bruders and others who are interested. We also beg to advise you that the Deputies appointed by the Commissioners to represent them in their absence are F. A. Borgemeister, representing Dr. H. F. Albert, and Wade Robinson representing F. Herrmann."

An undated memorandum for Dr. Albert (*Document 7*), presumably from the German Foreign Office at Berlin, presents a tabulated description of the two German Marine Insurance Pools, known as Pool No. 1-A and Pool No. 1-B. The memorandum is headed: "Principal Items which refer to the Insurance Pools":

"The communication from the Foreign Office states that the Pool was created in accordance with your telegram relative to insurance matters, which reached the Foreign Department on September 9, 1915.

* * * * *

"The Pool assumes risks with the understanding that all details relative to risks are submitted to H. F. Albert and approved by him. Are based upon the terms and rules at present in force at the New York Agency of the Mannheim and Nord-Deutsche Insurance Companies. * * *

"All losses exceeding \$25,000 must be advised by cable to the managing office of the Pool, Deutschen Seeversicherungs Gesellschaft at Berlin.

"All losses must be approved by H. F. Albert.

* * * * *

"Participation Imperial German Government: The remaining percentage was assumed by the Imperial German Government. The Government only participates when insurance in excess of \$948,000 (Pool No. 1-A) or \$908,000 (Pool No. 1-B) is required."

Pool No. 1-B is then described as practically the same as Pool No. 1-A, except that American and neutral vessels are admitted; also merchandise on sailing vessels not more than twenty years old. Hull insurance is provided for up to \$500,000, and destination ports are indicated as German, Scandinavian or Hollandish.

Document 11 is also a more detailed recital of the Pool Agreement 1-A and Pool Agreement 1-B.

A letter dated September 29, 1915, from the Mannheim Insurance Co., Mannheim, Germany, to F. Herrmann (*Document 8*), refers generally to Pool matters, and reads in part as follows:

"Before I tell you what has been arranged I must refer briefly to the great trouble and obstacles which have been placed against our efforts in bringing all German companies together to render the necessary aid to your efforts in New York."

Then follows a description of the difficulty to induce the Deutsche Seeversicherungs Gesellschaft to join in the American plans. Reference is made to the best assistance rendered by Dr. Bruders and to the fact that two Pools have been formed for the export of special goods, during the war, from the United States to Scandinavia. The Pools are again described generally as referred to in *Document 7*, Pool 1-A and Pool 1-B, and the reason set forth for the formation of two Pools instead of one as being due to lack of knowledge on the part of the German companies as to American business, and alleging that the antagonizing German interests feared that Albert might insure American steamers of inferior class unless specifically limited. The letter then refers to an Export Pool then practically consummated, and discusses the formation of an Import Pool, both to serve importing and exporting German interests, and concludes with the following paragraph:

"I have just been informed that on Saturday I am going to have an interview with one of the head gentlemen of the Government in charge of these matters, whom by the way Mr. Robinson met in Berlin, and hope that good progress will result from it."

A letter from Albert to Herrmann & Co., New York, dated November 16, 1915, (*Document 9*), so clearly shows one of the underlying motives of this scheme, namely, the desire of the German interests, as represented by Albert, to secure advance information as to cargoes, that it is quoted in full:

"Your letter of the 15th instant enclosing various bordereaux has been received. Inasmuch as the Pool arrangement specifies that risks shall be underwritten only with my approval, it is essential that I be acquainted with the risks to be underwritten, and that I authorize the underwriting of same before the business is concluded.

"I fully am aware of the fact that I must be guided by your office, as far as insurance technique is concerned, and naturally I have no desire to create any hardship to you in your handling of the insurance business for the pool. My approval, however, is a part of the pool arrangement, and a way should be found which will enable me to dispose of my duties in connection with the pool, satisfactory to the German interests and to myself. I would therefore suggest that when a steamer to Scandinavia starts loading, or when a steamer is advertised, a request be sent to me from your office for my authorization for an open insurance line for the steamer in question. When special business

is offered, it should be an easy matter to acquaint me with its nature, and to obtain my approval. I presume that you will find a way to present to me the details for approval, before risks are actually undertaken and not after, as in the case of the bordereaux sent.

"The risks as inserted in the bordereaux have been carefully noted. I must withhold my approval, however, in this instance, inasmuch as I have not been previously acquainted with same."

The foregoing letter is peculiarly significant as it also admits Albert's unfamiliarity with insurance technique and consequent reliance upon Herrmann, which only serves to emphasize the former's real purpose in securing the information.

Document 10, dated New York, November 17, 1915, is a report to the Secretary of State for the Interior, Berlin, presumably from Albert, and reads in part as follows:

"Supplementing the memorandum concerning insurance matters sent with my report of September 21, 1915, I send your Excellency enclosed a memorandum submitted to me by my colleague, Mr. Borgemeister, from which your Excellency will be good enough to note the further development of the matter.

"In accordance therewith I have opened for the firm of F. Herrmann & Co., New York, two credits in the amount of \$500,000 each in favor of the insurance companies they represent, in two different banks, in order to put them in position to assume in the name of both pools formed there in the meantime, as well as the risks required by me as the general risks arising from the Scandinavian business. So that F. Herrmann & Co. can enter these credits as assets as required by law here, I was compelled to pledge myself not to withdraw before the expiration of next year or not before maturity, the treasury notes deposited as security for the credits. On the other hand, Herrmann & Co. have pledged themselves to induce the companies represented by them to replace the treasury notes with the proper amount of German War Loan. I beg to humbly ask you Excellency to induce the insurance companies to perform this pledge. The sending of the war loan could be facilitated by having the pledge of payment made dependent on the counter signature of the German Ambassador here, or his attorney.

"It is to be hoped that the very capable and energetic representation here of the German insurance companies will succeed, on the basis of the pools formed in Germany and of the credits extended to it here, in getting control in increasing measure of the business heretofore exclusively monopolized by England. From the proposed later participation of the Insurance Company of 1914 in the business here, I note that this action thoroughly conforms to the intentions there. * * * * *

"The extension of the business, as proposed in the memorandum, to North and South America, as well as on steamers from other countries, Asia for example, I can only recommend if it seems feasible there, and indeed not only for reasons of the general strengthening of the German insurance companies in international business, but also in their own immediate interest. I am risking just at this time some shipments from South America or Dutch Indies, concerning which for important reasons speak more fully.

"According to the syndicate agreement submitted to me by the firm F. Herrmann & Co., the individual matters of business are subject to my approval. I would like to know whether through this approval there arises simply a control as to whether insurance shall be assumed for shipments that lie in German interests, or whether at the same time the responsibility for the engagements of the companies working with Government capital will thereby be borne."

Document 22 is an insurance report to the Zentral Einkeuf Gesellschaft (Central Purchasing Committee), Berlin, dated New York, October 28, 1915. This report refers to \$5,000,000 of German treasury notes furnished Albert, one million of which has been used by the Mannheim and Nord-Deutsche Companies. This report also recites Albert's instruction to Herrmann & Co. to retain premiums due the German Government under the Pool arrangement in a "special banking depository" in view of the ruling of the New York Insurance Commissioner that premiums during the war may not be forwarded to the parent companies. The report recites the efforts of the British authorities, recognizing their power in marine insurance, to injure German interests, as a result of which English companies have been prohibited from underwriting hulls or cargoes going to German or Scandinavian ports, and alleging that the American companies follow the English lead, as a result of which few are par

icipating in risks to Scandinavian ports. The report further states that English authorities, by anticipating wireless messages, have discovered that Herrmann & Co. have underwritten considerable business to Scandinavia, and that the English authorities had therefore attempted to eliminate Herrmann & Co. by refusing to re-insure for them. The report then continues:

"It was extremely fortunate that at the very moment when the reinsurance market was closed to F. Herrmann & Co. two important pool arrangements were effected in Germany by the German underwriters, which enables them, through F. Herrmann & Co., to combat in the United States English arrogance and commercial war messages in an effective manner. * * *

"This arrangement alone, however, would not be sufficient to enable the German companies to take care of the business offered. It was necessary to adjust the assets in conformity with the larger risks assumed. It was to be expected, and evidence has often been available, to the effect that the agents of Great Britain would at once notify the insurance commissioner of the State of New York of the large risks underwritten by the German Companies, and would do all in their power to discredit the insurance capacity of the German companies. If the assets should not be in conformity with the business undertaken, they would naturally find a way to combat the German insurance interests, and probably succeed in eliminating the activities of the German companies in the United States altogether. It was thus essential that a means should be found to provide additional assets. The \$5,000,000 German treasury notes placed at my disposal for banking arrangements, provided the necessary means, and I have placed with two banking institutions designated by me, \$550,000 Imperial German 5% Treasury Notes each for the use of the Mannheim Insurance Co. and the Nord-Deutsche Insurance Co. The United States assets of the Companies are thereby increased by a like amount.

"The securities cannot be withdrawn, except when authorized by me. Furthermore, I have caused the firm of F. Herrmann & Co. to prevail upon both insurance companies to provide, as soon as possible, securities of their own, in order to release those which I have placed at their disposal. I have ascertained that war loan certificates are acceptable to the Insurance Commissioner as lawful securities for foreign insurance companies underwriting in this market. Hence I have requested F. Herrmann & Co. to suggest to the Mannheim Insurance Co. and the Nord-Deutsche Insurance Co. to transfer a sufficient amount of German War Loan certificates to be substituted for the securities which I have placed at their disposal. I would suggest that you bring this matter also to their attention. In arranging the matter in this manner, the necessity of providing dollar securities in this market, at an initial loss of some considerable proportion, due to the unsatisfactory rate of exchange, has been eliminated.

"With the view of increasing further the United States assets of foreign insurance companies underwriting in this market, the Insurance Commissioner has issued instructions that representatives of foreign insurance companies shall not, during the time of war, forward earned premiums to their parent companies. I have requested F. Herrmann & Co. to retain the premiums earned on insurance written under the pool arrangement, with a special banking depository designated by me.

"I am enclosing a copy of a letter received from F. Herrmann & Co. and from their attorney, which dwell on the necessity of increasing the United States assets of the Mannheim Insurance Co. and the Nord-Deutsche Insurance Co.

"In view of the fact that the insurance pool has requested my approval for all risks under this pool arrangement, I have thought it advisable that such a deposit arrangement should be made. I presume that the Imperial Government has considerably assisted in the pool arrangement and is a party of same."

The report then complains that the Allianz Insurance Co. of Berlin and the Proussische Insurance Co. of Stettin, are both represented in the United States, but in a manner that does not serve the German interests, the Allianz Company having an Englishman as the United States agent and the Proussische an American, and suggesting both Companies be directed to change their American representation.

A letter attached to *Document 22*, from Herrmann & Co. to Albert, dated October 8, 1915, refers to one from Mr. Kneeland, Attorney, of Harison, Kneeland & Hewitt, New York City, also dated October 8, upon the subject of the necessity

of deposit by the Pool. Mr. Kneeland's letter is a very clearly stated opinion of the law on insurance regulations, and refers to the necessity of additional funds or deposit for both the Mannheim and Nord-Deutsche in the amount of \$500,000.

A wireless message via Sayville, dated New York, September 22, 1915, (*Document 6*), from Wade Robinson to Richard Post, Director of the Mannheim Co. at Mannheim, reads as follows:

"Referring pool negotiations party mentioned our letter December seventeenth has made temporary deposit one million dollars half each account our companies to cover large liabilities to be assumed and for protection United States policyholders such deposit to be refunded by special arrangement to be completed without necessity your remittance. Arrangement will be explained by letter. In view this we again urgently request haste and fullest possible powers enable us take advantage present future opportunities for benefit concerned."

Document 21, being a letter from Albert to Herrmann & Co., dated New York, September 29, 1915, also refers to strengthening the assets of the German insurance companies, and adds:

"In order that the advantage of the pool arrangement may immediately become available, and that the insurance difficulties encountered on all Scandinavian shipments may be eliminated without delay, I am holding at the disposal of the Nord-Deutsche Versicherungs Gesellschaft, Hamburg, and of the Mannheimer Versicherungs Gesellschaft, Mannheim, \$500,000 cash deposit for each company, subject to the terms of our banking agreement. * * *

"1. I have secured \$500,000 line of credit at the Mechanics & Metals National Bank, New York, available against the six months promissory note of the Mannheimer Versicherungs Gesellschaft. The proceeds of the note will be placed at the disposal of the Mannheimer Versicherungs Gesellschaft as soon as the note is in the possession of the Mechanics & Metals National Bank.

"In order that the proceeds shall benefit the United States assets of the Mannheimer Versicherungs Gesellschaft, this company should instruct the Mechanics & Metals National Bank to place the \$500,000 to the credit of F. Herrmann & Co. as United States managers of Mannheimer Versicherungs Gesellschaft.

"2. An identical arrangement has been made for the benefit of the Nord-Deutsche Versicherungs Gesellschaft at the Chase National Bank of New York.

"Both banks require collateral to secure the notes, and I am ready to provide same in the nature of 5 per cent Imperial German Treasury notes until both companies are able to replace the securities I am pledging with some of their own. I suggest that in due course they be substituted by German Imperial Loan Certificates, of which both companies no doubt have a supply on hand. The arrangement with the banks can be completed through my office."

Document 12 is from Richter, dated Berlin, November 4, 1915, to Albert, transmitting copies of two Pool agreements, probably those referred to in *Document 11* above.

Document 13 is a letter from Herrmann & Co. which, by its initials, was dictated by Wade Robinson, dated New York, July 20, 1916, to Albert, referring to a conference with Mr. Kneeland, Attorney, of Harison, Kneeland & Hewitt, New York, definitely reciting the liability of the Pool in the matter of re-insurance.

Document 14 is a letter from Herrmann & Co. which, according to the initials, was dictated by Wade Robinson, dated New York, November 19, 1915, to Albert, for the attention of Mr. Borgemeister, enclosing a list in duplicate of steamers advertised to sail for Scandinavia.

Document 16 is a letter to Albert from Herrmann & Co., dictated by Robinson, transmitting a copy of a communication to the Mannheim Insurance Co., Mannheim, Germany, dated September 24, 1915, which, after referring to the \$1,000,000 credit of the Mannheimer and Nord-Deutsche, states:

"We desire to draw your particular attention to the fact that it is expected that the fund of \$1,000,000 is to be returned as soon as possible, and that the return is to be made out of premiums that may be accumulated and/or out of a fund or credit to be established here by means of a special arrangement this is to be made by him through special banking channels in Germany and the United States, which arrangement will avoid the necessity of the actual transfer of money, and so avoid loss through interest and exchange.

"While there is no time limit set for the reimbursement of Dr. Albert, it is expected that this reimbursement will take place as promptly as possible, and he has informed us that in a very short time he will advise us of arrangements by which reimbursing remittance can be made.

"It is expected that the funds that are to reimburse Dr. Albert will come in proper proportions from the German companies participating in the pooling arrangement, included in which, as we understand it, is the German Government.

* * * * *

"In any event it is imperative to establish such a fund in this country, as otherwise the whole business would undoubtedly fail, even if we were willing to take a chance, because we are closely watched by English agents, and *if it were to become known that we are writing the large liabilities involved in many of the risks expected to mature, information would be lodged with the State Insurance Departments of probably several States, resulting in examinations and probably severe censure, if not an actual closing up of our office on the ground that we were writing liabilities entirely out of proportion to our United States assets.*"

This communication then concedes a commission of two per cent to be paid the German Government for the funds advanced upon consideration of the great influence of Dr. Albert's office in favor of the Pool.

"* * * not only as respects large and special items, but also as respects the general business of concerns that may be considered as having at least a tendency to be antagonistic to the British Government and its Allies, and consequently would undoubtedly be willing to give preference to well-established German companies. Dr. Albert's office has special facilities for reaching all such concerns, and we expect to be able to make some arrangement that will give us the benefit of this undoubtedly great advantage, for the good of German insurance interests generally as well as yours particularly."

Document 18, being marked "confidential," to Herrmann & Co., for the attention of Robinson, from Albert's office, initialed by Borgemeister, dated November 15, 1915, refers to the necessity of fully covering the S. S. "W," which presumably refers to the American steamer "Wilhelmina," consigned to Bremen, ostensibly by the W. L. Green Commission Company of St. Louis, and actually as a basis for an action instigated by the German Government before the British Prize Court. The letter reads as follows:

"You are fully acquainted with the fact that I have considerable interest in seeing the S. S. 'W' fully covered as regards marine and war insurance. The ship is now in American coastwise trade, and the risk, according to the terms of the pool, would not come under the pool arrangement, but due to the preponderance of the interests which the pool strives to protect, I presume that the assuming of the risk will be satisfactory to the pool.

"I herewith give you my authority to write approximately \$50,000 remaining to be covered by marine insurance."

Documents 23 and 43 are confidential memoranda, dated New York, January 12, 1916, apparently prepared at Albert's office, for Mr. Henry E. Cooper, Vice-President of the Equitable Trust Company, with reference to a proposed arrangement in connection with the opening of two new loan accounts which Herrmann & Co. were seeking as managers of the Mannheim and Nord-Deutsche respectively, the facilities desired being advances up to \$400,000 for each Company, on German treasury notes, "to be used only when the demands on the company, due to extraordinary losses, are exceptionally heavy."

Very interesting information with reference to the S. S. "Atlantic," which was to be cleared from New York to Archangel, but was to deviate and attempt to land at a German port or be captured by a German war vessel, appears in a letter from Albert to Herrmann & Co. for the attention of Mr. Robinson, dated New York, February 26, 1916, (*Document 24*), and which reads as follows:

"I have received your letter of the 25th instant relative to the insurance of the S. S. 'Atlantic.' I herewith confirm my approval of your accepting for the Pool, the insurance of \$500,000 agreed upon and as evidenced by the memorandum signed by F. Herrmann and Otto P. Heyn, dated Jan. 6th.

"For your information I desire to state that your letter of the 25th instant reached me through the ordinary mail. Under the present circumstances I should deem it advisable that all mail matters between our offices should be delivered by messenger."

Wade Robinson's second trip to Germany in the interest of the Pool is first indicated by a personal note from Franz Herrmann to Dr. Albert, dated New York, March 9, 1916. (*Document 25*), reading as follows:

"Referring to Mr. Wade Robinson's visit to Germany, I would deem it a personal favor if you would be kind enough to obtain for him such letter or letters to German officials on the other side as would be likely to facilitate his journey. You will perhaps recall that you secured for him a letter from the German Ambassador at Washington, which was of great benefit to him during his last trip."

Dr. Albert apparently just prior to March 7, 1916, threatened to withdraw from the Chase National Bank and the Mechanics & Metals National Bank the deposits in behalf of the Nord-Deutsche and Mannheim Companies, for on that date Herrmann addresses a very earnest protest (*Document 26*) to Albert against the withdrawal of such funds, stating that it would be ruinous to the Companies and adding:

"Without doubt the Insurance Department would consider the deposits as not having been made in good faith, and would institute inquiries and examinations, all of which would furnish fertile basis for gossip and calumny, that might even ruin for all time the present splendid reputation of our two German Companies. * * *

"German companies, in common with their Government and all German interests, must not only seek ways and means to avoid the enemy attacks, they must also seek ways and means to retaliate.

"The withdrawal of the deposit referred to at this time would not be defense or retaliation, but abject surrender, and would destroy utterly the principal German element in the marine insurance business in the United States. Such a situation obviously must be avoided."

Pursuant to the plan of securing from pro-German circles marine insurance for the Pool, Albert, under date April 25, 1916, addressed a letter (*Document 27*) to the following persons:

Herr Pavenstedt, c/o Amsinck & Co., 6 Hanover St.

Dr. J. H. Rossbach, of J. H. Rossbach & Co.

Richard Schuster, of Speyer & Co.

Felix M. Warburg, of Kuehn, Loeb & Co.

Mr. Horwitz, of Hallgarten & Co.

Henry Goldman, of Goldman, Sachs & Co.

Rudolf Erbsloeh, of 42 West 58th St.

Muller-Schall & Co., 45 William St.

Others firms listed for similar letters were:

Fleltman & Co.

Victor & Achelis.

The Bayer Co.

Casella Color Works.

The letter reads as follows:

"With these lines I beg to introduce to you Mr. Paul Wolf, the representative of the Nord-Deutsche and Mannheimer Insurance Companies.

"As is known to you, the German Insurance Companies have formed a syndicate of great insurance power, in order to participate more strongly in marine and war insurances abroad. This syndicate is represented here by the firm of F. Herrmann & Co. and Mr. Paul Wolf is entrusted with the handling of the details.

"I scarcely need to mention how important the support of the German insurance companies by befriended firms is for general German interests, and would from this viewpoint be grateful if you too, as far as possible, would give the German insurance companies the preference."

Mr. Paul Wolf, of the Nord-Deutsche Company, also solicited the placing of marine insurance by German interests in the Pool, by a letter April 5, 1916, to Borgemeister (*Document 28*), in which Wolf says:

"With reference to our conversation, I should appreciate very much if you would assist us in obtaining the proper introduction to various firms whose business we should like to secure for the German companies.

"At present I have in mind Messrs. Crossman & Sietcken, who have considerable marine and fire insurances to place, and I understand from Mr. Herrmann that you have agreed some time ago on the text of such a letter of introduction. I should be glad to be favored with same and thank you in advance."

Continuing the influence of marine insurance to the German Pool, Albert, under date April 10, 1916, addressed a letter marked "confidential" to Mr. J.

Sorrenson, of the important American firm of Crossman & Sielcken, which had theretofore placed its marine insurance largely with Lloyds. This is *Document 28-A*, and reads as follows:

"I desire to bring to your attention the increased underwriting capacity of German insurance companies in this market. You may have learned that German underwriters have formed a Pool for taking care of Marine and War Risk Insurance on shipments from this country to Scandinavia, to Holland and to Germany. Before long this Pool will actively compete in all neutral business.

"The German Insurance Pool is represented in this market through the office of F. Herrmann & Co., and the bearer of this letter, Mr. Paul Wolf, is the confidential representative of that office. He desires to discuss with you the business facilities which they have to offer.

"It is needless to mention to you the importance of having the German underwriting capacity exert itself in a more important manner in the American market. I can assure you that I will highly appreciate it, if the result of this letter and Mr. Wolf's visit may lead to your favoring German underwriters with some of your business."

By May, 1916, the German Pool was successfully organized and existing, but at this period Albert, Herrmann and their immediate associates in the German Pool, were apparently confronted with the possibility of a break in the relations between the United States and Germany, and in *Document 31*, being a memorandum dated May 10, 1916, prepared for and submitted to Albert, presumably by Herman although unsigned, reference is made to the original agreement July 1, 1904, between the Mannheim, the Union Marine Insurance Co. of Liverpool, and the Fireman's Fund Insurance Co. of San Francisco; cites the falling off of Mannheim business, due to the war, its transfer to the Fireman's Fund, and its receipt back in the form of re-insurance; mentions the intimate relations between the writer of the memorandum and the firm Herrmann & Co. with the head office of the Fireman's Fund (Levison); and points out the danger of depending upon this arrangement in view of the possible breaking off of diplomatic relations between the United States and Germany, or an actual state of war between these countries.

The memorandum then continues with the suggestion that even in case of war it might be possible to work out a scheme to transfer all Mannheim and Nord-Deutsche business to the Fireman's Fund "with a company of a European neutral country, which in turn could re-insure the business thus received with the Mannheim or the Nord-Deutsche."

It is here suggested, however, for the first time so far as is shown by the evidence at hand, that the method of finding a way out of increased difficulties which the future may bring, must be by the organization of a large so-called American Company, with one million dollars capital and one million dollars surplus, solely for the purpose of helping the two German Companies, and operating secretly under the management of the Pool, and also suggesting that such an American Company could enter into re-insurance treaties in neutral countries.

Document 31 above described reads as follows:

"When the Mannheim Insurance Company on the 1st July, 1904, entered into an agreement with one of the leading English Insurance Companies, the Union Marine Insurance Company of Liverpool, and one of the leading American Companies, the Fireman's Fund Insurance Company of San Francisco, by which agreement a combination was formed of the three companies doing business in the same office and under the same management, the Mannheim Insurance Company brought to this combination the largest amount of business, which fact was recognized by the Mannheim Insurance Company getting a 40% share of the pooled business, the Union Marine getting a 35% share and the Fireman's Fund a 25% share.

"The Mannheim Insurance Company by its intimate connections with a number of substantial brokerage concerns and by its well-established agencies all over the country, succeeded in keeping this position of writing the largest share of direct business until the beginning of the European war. A number of the Mannheim's clients were then forced to ask for a transfer of their policies to an American Company, since the insurance on such cargoes as were shipped to England, France, etc., and also all the English colonies, could not be taken care of in a German company any longer.

"A number of what might be called German firms here who would have preferred to leave their business with the Mannheim were forced to ask for a

transfer because, while the bulk of their business was going to neutral countries, part of it went, for instance, to some of the English possessions in the West Indies, on which shipments German insurance was of course impossible.

"At the time of writing this memorandum it must be stated with regret that a substantial part of the business of the Mannheim has already been transferred to the Fireman's Fund Insurance Company. While of course as far as the net results are concerned this makes no difference to the Mannheim Insurance Company, because it gets its share of the business by the way of reinsurance, nevertheless the loss of a substantial part of its direct business is a serious matter to the Company, because, while its relations to the Fireman's Fund at the present moment are most friendly, it is impossible for anybody to predict what the future may bring, and whether conditions may not arise in the future which might be prejudicial to the intimate relations of the two companies existing to-day. In any event, it is the policy of every company—and rightly so—to try to get the bulk of its business direct and not by the way of reinsurance from other companies.

"While conditions up to now, although not satisfactory, were at least not substantially detrimental to the interests of the Mannheim Insurance Company, the breaking off of diplomatic relations between this country and Germany, or an actual state of war between these two countries, would almost surely create conditions which would mean a complete loss of all its direct business to the Mannheim Insurance Company and possibly a loss of all its business, including that at the present time obtained from the Fireman's Fund by the way of reinsurance.

"The breaking off of diplomatic relations would surely mean the discontinuing of all business at present enjoyed by the Mannheim Insurance Company, since the insuring public will feel uncertain as to the status of the company and the status of its funds in the United States; and while, as will appear from the enclosed copy of a letter from our lawyer, Mr. Lawrence Kneeland, there exists absolutely no reason for alarm on the part of the company's policyholders, still a state of war invariably creates a panicky feeling: the company's clients, or at least the majority of them, will not listen to reason, and our competitors will help all they can to fill the ears of the Mannheim's clients with statements prejudicial to the Company.

"Of course in case of war these very same conditions would exist, only in an even worse form.

"The only chance the Mannheim would then have would be to have all of its business transferred to the Fireman's Fund and receive its share from the Fireman's Fund by the way of reinsurance. It is, however, quite possible that the Fireman's Fund, and particularly in case of war, could not reinsure with a German company, so that even this last chance would be lost and the Mannheim Insurance Company would find itself face to face with the complete loss of all its business, acquired by many years of hard work, and in itself its greatest asset which the company has at present.

"The Mannheim Insurance Company, by the outbreak of the war, has lost all of its business in a very large section of Europe and all of its business in the English countries the world over. If it also lost its business in the United States it would surely mean a most serious blow to it.

"All that has been said in the foregoing applies with equal force to the Nord-Deutsche Insurance Company, except of course that the Nord-Deutsche's marine business is not so large as the Mannheim's because it has not been doing marine insurance business in this country for more than three years.

"To illustrate what this loss would mean I quote the Mannheim's net premiums for their fiscal year, July 1, 1914, to June 30, 1915, \$1,569,134.67; and for their current fiscal year from July 1, 1915, to February 29, 1916, \$1,000,797.50. In speaking of net premiums I mean gross premiums less return premiums, less reinsurance and less commissions. The gross premiums for the corresponding periods were \$3,049,188.09 and \$1,857,476.71. The Nord-Deutsche's figures for 1914 were \$449,902.30 net and for 1915 \$754,484.27 net. Gross premiums for the same periods \$707,869.26 and \$1,160,189.52.

"These figures should show conclusively the great importance of the American business for the two companies and the seriousness of a complete loss of these premiums to the two companies.

"Possibly, even in case of war, there might still be a possibility for us to work out some scheme by which part of the business may be saved to those two companies, and that is by reinsuring the Fireman's Fund Insurance Company to which company all the Mannheim's and Nord-Deutsche's business would be

transferred, with a company of a European neutral country, which in turn could reinsure the business thus received with the Mannheim or the Nord-Deutsche.

"While it is possible that the Fireman's Fund would not object to our making an arrangement of this kind at the beginning of a war, nobody can foretell what their attitude might be if a state of war between the United States and Germany existed for any length of time, and surely nobody can foretell what they might be forced to do by what is called public sentiment.

"We had our experience in this direction with our English companies, that wanted to stay with us just as much as the Fireman's Fund would, but were finally forced, absolutely against their will and wishes, to withdraw from our office.

"In order to find a way out of the existing difficulties and the increased difficulties which the future may have in store for us, it occurred to me that nothing but the organization of an American company can bring relief and a guarantee that the two companies' business will not be lost to them forever. If an American Company was formed solely for the purpose of helping the two German companies, and if that American company was under the management of this office, we could then transfer whenever necessary the business of the Mannheim and the Nord-Deutsche to that company. We could on behalf of that company enter into reinsurance treaties with insurance companies in neutral countries by which the full benefit of the business written by that company would be preserved for the German companies. There would be a very big difference between such an American company newly formed and an American company like the Fireman's Fund, which is doing a large fire business and must always consider the sentiments on the part of the numerous fire agents, whereas a newly formed American company would have to show no consideration of that kind to anybody.

"What I have in mind at the present moment is solely the protection of the interests of the German Companies, and the effort of finding a way out of the difficulties confronting us now and in the future.

"It might however well be argued that in any event an American company as suggested would be of immense benefit to the German Companies even if all our fears regarding a breaking off of diplomatic relations or war should never realize.

"Surely there is now a prejudice on the part of many Americans against anything German, and this will continue for quite a while after the war. An American company would be able to attract business which would never come to the German Companies, but the results of such business would still be for the benefit of the German Companies.

"Such an American company would also after the war be the means of exchanging business with English companies, which English companies will again control a class of business which will without doubt for years to come after the war be absolutely closed to the German companies.

"I want to repeat, on this point, that of course all these ends can possibly be achieved by the German Companies' intimate relations with the Fireman's Fund. I want to emphasize also the fact that the relations of the writer of this memorandum and the firm of F. Herrmann & Co. with the head office of the Fireman's Fund are the most intimate and friendly. But these facts existing at the present time give by no means an absolute and unqualified guarantee for the future. In any event, it will always be very much easier to re-transfer to the Mannheim and the Nord-Deutsche such business as circumstances made it necessary to transfer to this new American company under certain conditions that may arise, than it would be to retransfer the same from the Fireman's Fund. The latter Company would surely not look with favor upon our making extreme efforts to re-transfer business to the German Companies, and any attempt on our part to go too far in that direction would most likely lead to friction between our firm and the head office of the Fireman's Fund.

"It is of course impossible to communicate with the head offices of the Mannheim and the Nord-Deutsche regarding this proposition, but I can see no reason in the world why they should have any cause for criticism, because what is suggested is suggested solely for their benefit. I believe that under existing circumstances they will not and cannot disapprove of our taking action without first obtaining their consent.

"There is one very important point that I have not touched upon in the foregoing, because it does not affect the Mannheim, but solely the Nord-Deutsche

Insurance Company. This latter Company is doing a very substantial fire insurance business in this country, in fact started doing fire insurance business several years previous to its starting to do marine business.

"While the difficulties in regard to saving their marine business in case of war are great, they are still greater in the case of their fire business, for the simple reason that they have no company like the Fireman's Fund to take care of their business and to reinsure part or all of it again with the Nord-Deutsche: to the fire branch of the Nord-Deutsche breaking off of diplomatic relations with Germany or war would mean an absolute end to their fire business.

"If an American company was formed as suggested it could be offered for representation at once to all of the Nord-Deutsche's fire agents, and the business written by the Nord-Deutsche's fire agents could as soon as necessary be transferred to the American company. The American company could then, as suggested in regard to its marine business, re-insure its fire business with a foreign neutral company, which in turn could reinsure that business with the Nord-Deutsche, or the American company could retain the business but to the benefit of same to accrue to the Nord-Deutsche Insurance Company.

"In order to make the suggestion a success, it would of course be necessary to form a very substantial company; a company with small capital and assets would not infuse confidence into the insuring public and we could not hope to get the Mannheim's and Nord-Deutsche's consent to have their business, if necessary, transferred to a company of small means. In order to make a success of the proposition it would be necessary, in my opinion, to have a company of one million dollar capital and one million dollar surplus.

"The details as to the formation of the company should be worked out by our lawyer, Mr. Kneeland. The question as to who should appear as shareholders should be solely decided by those that furnish the money, of course after mutual consultation as to the respective merits of the shareholders and trustees suggested.

"In order to create no unnecessary difficulty or friction it would seem to me wise to have the whole scheme or suggestion come from your office. It might well be assumed that the German Companies themselves have come to the conclusion that such an arrangement would be the best for the protection of their interests; and if it was stated to have come from that source surely the Fireman's Fund Insurance Company could make no objection whatsoever and could not see in the step contemplated any effort on our part or on the part of the German Companies to prevent the Fireman's Fund from obtaining its dominant position in this office.

"Surely the Mannheim Insurance Company, that gave this office its start and which contributed to its success more than any other of the companies represented by us, deserves every possible consideration, and no means possible should be left unemployed to not only save the company its business, but its position in this office and in the insurance world in this country. Even now twelve years after the combination of the Mannheim with the American and English companies, our office is referred to by many as the 'Mannheim office'.

The foregoing plan for the creation of an American company appeared to have found immediate favor with Albert, and seven days later, under date May 11, 1916, by a very important memorandum (*Document 30*) for Albert over the original signature of Borgemeister, details are discussed for the organization of a strong American company to take over the business of the Mannheim and the Nord-Deutsche in the event of a break between the United States and Germany.

Borgemeister now suggests to Albert that there is sufficient pro-German marine insurance business to be placed in the United States to start such an "American" company from the very beginning with a lucrative business. He specifies that the necessary money can be provided out of the ten million dollar German Treasury Notes at hand, at least two millions of which should be devoted to the new company, and that an initial expense of \$25,000 would be sufficient to include "*remuneration to certain trusted parties appearing as stockholders but holding stock for us.*" Dummy stockholders are then suggested, including Messrs. Reisinger, Nagel, McHugh, Wing, Pavenstedt, Ebborn, Horwitz and Chandler.

Document 30 reads as follows:

"Mr. F. Herrmann has handed to me the attached memorandum, and I have requested your careful consideration of the questions enumerated therein. I have permitted myself an advanced study of the contents, the essence of which

centre in the question of the *organizing of a strong American insurance company*. This company is to take over the business of the Mannheim and Nord-Deutsche Insurance Companies should political events make it impossible for them to operate in this market.

"From the attached memorandum it is quite evident that the principal German marine insurance companies operating in this country (the Mannheim and the Nord-Deutsche) would sustain a serious loss in the event of a political break between this country and Germany. I believe that one may without exaggeration, speak of a great national loss should political events take a turn conducive to the eliminating of the German insurance interests in this one large remaining open neutral market. Especially at this time it would be exceptionally severe, and I believe therefore, that most careful consideration should be given and means should be agreed and acted upon which will strengthen our interests in this market.

"A careful survey of the situation will convince us that aside from conserving for German interests an important asset the result of years of continuous efforts, we will be in a position to provide for German interests an absolutely essential facility in the commercial relations between this continent and Germany. Certainly we would go a long way toward preparing and combating against English arrogance during the war, and especially during the reconstruction period following the war as far as it concerns marine and war insurance. We have felt how complete their control in insurance fields has been established. At this moment the English Government demands from English insurance interests, the discrimination against German firms or even against German names in neutral countries, in the most unheard-of manner. I have seen for instance, that a large Argentine firm with a German name and German connections, cannot continue its trade between Argentine and the United States on account of the difficulty it encounters in securing the necessary insurance. It must be the same in all neutral countries wherever the bulk of insurance is either directly or indirectly placed with English concerns.

"Inasmuch as American insurance facilities are seriously lacking, and as many firms would unquestionably prefer to be able to place at least a part of their insurance with other than English concerns, if a satisfactory and bankable insurance certificate can be obtained, a large American company should be in a position to start from the very beginning with quite a lucrative business. In the acquiring of business we have the great advantage of being able to place such company in the office of F. Herrmann & Company, where recently several English companies have been eliminated, and where a splendid opportunity exists for a large additional American company. In forming such a corporation we might make an advance step in favor of future activities of German companies in this market, especially on behalf of the German company recently organized by the State of Prussia or on behalf of the German Pool.

"The money necessary to form the company should be provided out of the \$10,000,000 Imperial German Treasury Notes. I would consider it advisable that at least \$2,000,000 should be devoted for that purpose. Inasmuch as the insurance investments must be liquid, the financial risk is practically eliminated. The funds we apply to the establishment of the insurance company are invested in such a manner that the liquidation of the company, if such a liquidation should be decided upon, could be effected without serious loss or inconvenience at any time.

"THE COMPANY COULD BE ESTABLISHED AT A NOMINAL EXPENSE. I BELIEVE THAT \$25,000 WOULD FULLY COVER SAME AND WOULD INCLUDE REMUNERATION TO CERTAIN TRUSTED PARTIES APPEARING AS STOCKHOLDERS BUT HOLDING STOCK FOR US.

"WE SHOULD BE ABLE TO PLACE FORMAL OWNERSHIP IN THE HANDS OF IMPORTANT MEN OF AFFAIRS, MEN WHO WOULD MERIT OUR CONFIDENCE AND THE CONFIDENCE OF THE BUSINESS COMMUNITY. I HAVE IN MIND SUCH PARTIES AS:

MR. REISINGER
" NAGEL
" McHUGH
" WING

MR. PAVENSTADT
" EDENBORN
" HORWITZ
" CHANDLER

ET CETERA

"The \$2,000,000, except for certain cash balances, would be employed in the purchase of American securities. A large part of the interest which would be incurred by the placing of \$2,000,000 Treasury Notes would be recovered by the returns on the investments. A careful selection of securities should pre-

clude losses due to depreciation on the investments. We might consider including therein, Imperial German Dollar Treasury Notes.

"The company should at once be in a position to show excellent results as there is a scarcity of American insurance. Such a company has, in entering the office of F. Herrmann & Co. and in securing at once a large business, an advantage which would immediately reflect in the earnings of the company. Especially during the time immediately after commercial relations with Germany would again become possible, would this company become an important factor and would be capable of rendering excellent services to German interests. There would be a further advantage in so far as the business would not work to the advantage of English companies.

"This office would be in a position to support such a company when large insurance facilities are necessary.

"It should be considered whether or not it would be advisable to have such a company handle besides marine insurance, fire insurance and possibly indemnity insurance. I have heard that certain indemnity insurance is practically impossible to obtain in this market by corporations or firms partly owned by German interests.

"I must repeat that I believe that the organization of an American insurance company to be a most important step for the safeguarding of our interests and as a means to be employed against British interests."

Documents 32, 33 and 34 are relatively unimportant. They are dated May 10, May 16 and June 8 respectively (1916), and are from Wolf to Albert, the first referring to a \$40,000 loan from the Chase National Bank of New York on Albert's guaranty, with German Treasury Notes and bonds as security; the second and third seek from Albert, for Wolf, an introduction to the "Lewisohn interests" and to Mr. George Merck, 61 Park Place, for the purpose of influencing insurance business.

Following the foregoing suggestions as to the institution of an American company, Herrmann apparently called upon his attorney, Mr. Lawrence Kneeland of Kneeland, Harison & Hewitt, of New York, for an opinion, which is rendered under date of June 2, 1916 (*Document 49*) and which outlines the several steps necessary in the formation of a New York corporation to transact the business of fire and marine insurance, advising the necessity of at least \$400,000 capital stock and a surplus of at least 50 per cent in addition, and stating that many suitable names have already been appropriated, including "America," "International," "American," "United States," "National," etc., but suggesting "Republic Insurance Company" as fairly indicative of the nationality, which latter clause is rather thinly veiled sarcasm in view of the concluding sentence of the letter: "It is of course possible to use 'dummies' as incorporators and have them resign later."

Document 35, dated July 5, 1916, is a letter from Albert to Herrmann, by which Albert advises that he has appointed F. A. Borgemeister as his Deputy Commissioner in the Pool. The letter reads as follows:

"I shall appreciate it if you will forward to me any additional communications received in connection with the Pool, especially in reference to the terms thereof. In the event that you have not as yet done so, I shall appreciate your notifying the Pool headquarters that the promised report has not as yet been received.

"From the information so far obtained from your office, I conclude that the operation of the Pool is subject to the guidance of a commission of which Mr. Herrmann and myself are members. I further learned that each member has the right to appoint one deputy who will represent him during his absence. I herewith beg to inform you that I have appointed Mr. F. A. Borgemeister as deputy to represent me.

"Kindly acknowledge receipt of this letter."

By a memorandum of July 7, 1916, (*Document 44*) to Albert, over the original signature of Borgemeister, the latter advises that an arrangement had been made with Mr. Beck of the Hamburg-American Line, to handle the book-keeping of "this office," Mr. Leonhardt, cashier of the Hamburg-American Line, having full knowledge of all accounts and book-keeping, but that:

"... at various intervals it became necessary to close all books and records, put them in safe keeping and to start new books in order to preclude the danger of some of the transactions, especially the 'Wilhelmina' matter, becoming known on the outside.

"Inasmuch as the books were kept in the offices of the Hamburg-American Line and there was a frequent danger of an examination and investigation

of the Hamburg-American Line, it was essential to use every possible precaution.

"At one time a list of numbers was devised for all of the accounts for the purpose of preventing their names being shown.

"During the summer of 1915, however, business became too heavy for the parties of the Hamburg-American Line who had been entrusted with the book-keeping affairs of our office, and it was necessary to start a book-keeping department and filing system of our own."

This new book-keeping system probably covered the marine insurance business, although this is not clear.

Document 36 is a letter written by V. Thieme, then at Munich, Germany, now probably residing at Montclair, New Jersey, to Carl Schreiner, President of the Munich ReInsurance Company, which reads in part as follows:

"To the letter of June 14th, containing the very interesting communication relative to the 'Pool Agreement' of the group the Mannheim and Nord-Deutsche with respect to wheat, cotton, etc., I would reply that the group of Munich men had participated in the earlier contract to the extent of 20%, but have through the recent reorganization withdrawn, because demands which they thought necessary to make in this connection were refused. * * *

"I believe that for stronger resistance to the boycott by English corporations a second pool might be of some use; therefore I am strongly in sympathy with your plan. I only fear that since the first pool includes the majority of the German corporations and are therefore in the main limited by our Munich group, which for the cover which you would deem necessary would not be available if you yourself could not provide substantial sums for the friendly American companies.

"For wares and hull together we could here cover \$5/600,000, and because you speak of one and a half millions you would have to get \$900,000 from those companies. If that is possible I will then await your suggestions."

Under date July 24, 1916, Albert wrote Herrmann as follows (*Document 46*):

"The blacklisting has made it even more essential that we should help whenever possible. We must claim for the Commissioners a certain freedom of action, for we cannot depend on communications with your home office and pool headquarters. * * *

"In the instance of the Gans Line (Charterer's profit insurance) national interest demands that we avail them full protection. Our failure to do so would force them ultimately to follow an ally-friendly attitude. * * *

"To me the situation is quite clear. We must protect, and not by half-hearted, but by full measures."

Under date of July 31, 1916, by *Document 38*, Borgemeister writes Wade Robinson:

"Mr. Albert returns memorandum which you kindly gave to him for his approval. He found the contents very interesting, and he appreciates the good work you have done in connection with the Pool."

Under date August 3, 1916, (*Document 41*), Paul Wolf addresses Borgemeister on behalf of the Nord-Deutsche Co., advising of the appointment of the Finance & Realty Company as Fire Agents in New Orleans, and asking Borgemeister for the names of friendly firms in that vicinity to solicit.

This communication was replied to by Borgemeister by *Document 57*, dated August 4, 1916, which, after acknowledging receipt of Wolf's letter of the 3rd, states:

"One party who would be particularly capable of helping you in your business efforts in New Orleans would be Mr. F. Dietze, Jr., who is Cashier of the Canal Bank & Trust Company of New Orleans. Mr. Dietze was in my office recently when Mr. Robinson called, and I suggested then that he should think of the German insurance companies whenever opportunities arose. Mr. Robinson thought they would be able to reciprocate and turn over to the Canal Bank & Trust Company the deposit which the Mannheim Insurance Company maintains in New Orleans. I am convinced that such a move would assist you considerably in securing desirable business in New Orleans. As far as the bank is concerned, there is none better in New Orleans."

"I am thinking over the names and I will give you a list of same in the near future."

The plans for the formation of an American Company outlined in *Documents 27* and *30* above, dated May 10 and 17 respectively, apparently were transmitted by Albert to the Privy Imperial Councillor of Germany at Berlin, although this report of Albert is not discovered in the evidence at hand, but by *Document 47*

to Albert from the Privy Imperial Councillor, the latter acknowledges receipt of such a report.

Particular attention is invited to the definiteness of references to the impending break with Germany and the consequent necessity of the new so-called American company, and to the reference to the use of the American Scandinavian Company, which concern was just at this time purchasing entrance into the United States under the management of Orr, Herrmann's assistant. The references to the use of "dummy" stockholders, "influential pro-German Americans", with the necessity of maintaining in secret the fact that the deal concerns a German foundation in order to obtain concessions from political influential American officials, are interesting. Paragraph 7 of this document suggests that the "inner condition of the American company" should be regarded not as subsidiary of the German Marine Insurance Bank of 1914, but as a branch of the German Insurance Bank, which is a continuation of the present clearing house of the former Company.

A literal translation of *Document 47*, which, although of some length, in view of its importance is quoted in full, reads as follows:

"Your memorandum of June 9th, this year, has been handed us for an expression of opinion. In that a few points therein are not sufficiently clear, we would be grateful if you would favor us with an explanation relative to the following questions:

"1. Has the plan recommended by you, the founding of an American Insurance Co. under German control, been discussed in all its details with Mr. Herrmann, the representative of the Mannheimer Insurance Co. and the Nord-Deutsche Insurance Co. there, and is the founding considered by him necessary to the interest of the German Companies represented by him?

As to the question if the founding would be necessary during the war, the Mannheimer Insurance Co. could not give precise decision. It negates, however, the question of necessity until June 30, 1917, since until that time they have legal arrangements with the Firemen's Fund Insurance Co. in San Francisco, that in view of their friendly relations (between their Vice-President and Mr. Herrmann) will without doubt be loyally observed. If, on the other hand, the founding should actually take place, solely from the prospect that the war will last beyond June 30, 1917, this would in such a case be unfavorable for the new company, and especially with consideration of the difficult and expensive concession-conditions in the single American States, which reject the unfavorable fixed rate (valuta) conditions and the firm balance rules which the company would enforce.

"2. According to your arrangement it would not be desired, in case a war or even in case relations between Germany and the United States were broken off, that the Fireman's Fund would retain its relationship with the German insurance companies. According to this one might assume that then, provided relations between Germany and the United States do not grow worse, the Fireman's Fund would desire that the connections with the German Companies be kept intact beyond June 30, 1917.

Is there not also, on the other hand, to be considered that the Fireman's Fund because of her pro-German deportment would be violently antagonized, especially by the industrial transactions, which as war-deliveries to the Entente would have to consider these, would be boycotted, so that they would strive as soon as possible to become released from relationship with the German Companies.

You mention in an addition to notices under head of #2, that after the break of the arrangement with the Fireman's Fund, business for the German Companies can only be secured through the new to-be-founded company, and in fact through inside agreements on the manner of reinsurance through neutral countries. Do you have in mind for this definite neutral countries and definite companies? Do you perhaps have in mind using in the founding, the existing American Scandinavian Co. as a fitting intermediary? In what way do you expect the cooperation of the other German insurance companies in the business to be arranged by the new insurance company? According to our knowledge only the Allianz, the Dresdener, Universal Insurance Co. in Berlin and the Prussian National Insurance Co. of Stettin are in question, as far as German Transport Insurance Companies of N. A. are concerned. You mention at the end of the next paragraph that the whole organization of the firm Herrmann & Co., with Herrmann as General Agent, shall be placed in the service of the new company. Do you think that the organization of the other companies can be drawn into this as well?

"5. If we correctly understand your motion as to the financing the shares shall be taken over by influential pro-German Americans, to whom will be given promissory quotas of two-year German Imperial Treasury Notes to cover their risk.

Could not, through the election of the shareholders, the fact that the deal concerns a German foundation, be kept a secret, at least for the duration of the war, so that there need be no fear of difficulty of concessions on the part of political influential American officials? The Mannheimer Insurance Co. deems the acquisition of concessions as sufficient.

"6. Do you think a capital \$2,000,000 will be absolutely requisite?

The Directors of the M. I. Co. believe that \$1,000,000 would be requisite and recommended that, because of taxation, to fix the capital at \$500,000 and to take up the other \$500,000 as reserve (surplus). A larger capital would immediately attract attention to it. The General Director, Mr. Kluge, the counsel for the German Insurance Bank, on the contrary, holds that a capital of \$100,000 is sufficient to give the new company the necessary prestige.

"7. So far as the inner condition of the American company is concerned, it would be recommended that the Company should be regarded not as a subsidiary (branch) company of the German Marine Insurance Bank of 1914, but as a branch of the German Insurance Bank. The German Insurance Bank is a continuation of the present clearing house of the German Marine Insurance Co. of 1914, its capital is greater and the organization simpler. It would be easier, for various inside reasons, to effect consolidation of a branch company with it, than with the German Marine Insurance Co. of 1914.

"8. You mention that the necessary capital for the founding of the new company can be effected through the placing of two-year Treasury Notes with the active German Insurance Co. This is according to the view of the directors of the Manneheim Insurance Co. impossible since they do not have for this sufficient capital in America at their disposal and because that on the part of the American board of control, which definitely controls the financial entries, this would not be allowed.

That now these must remain at the disposition of the Mannheimer and the Nord-Deutsche at a designated exclusive repository, because otherwise, owing to the fact that the Pool takes over from you a large sum, which through the American promoted reserves could not be placed with them.

We submit to you at this opportunity a copy of this now legal Pool Arrangement, and note herewith respectfully, that in consequence of the radiogram recently received here, which at the bottom of page 3 mentioned the sum of M. 1,125,000 for Kasko-Insurance—further increased by the sum of \$500,000.

This \$500,000 does not, however, go to the account of the Pool—the other is shared by the German Insurance Bank as well as the German Insurance Co.—but for the account of the German Insurance Bank, which in turn shares the business with the Munich Reinsurance Co. We therefore beg to induce the firm Herrmann & Co. to place to a special account the sum of \$500,000 and to charge regularly the individual accounts in question as soon as possible to the German Insurance Bank, so that this bank can in turn make the necessary deliveries to the Munich Reinsurance Co."

A. Schumacher & Co., Baltimore, Md., are directed by Albert, by the latter's letter of August 5, 1916. (*Document 54*), to Schumacher for attention of Paul Hilken, with reference to the placing of Schumacher's insurance, as follows:

"For your information I desire to state that the Pool issues its certificates through the Manneheim Insurance Co. and the Nord-Deutsche Insurance Co. Both are represented in this market and maintain considerable United States assets. In cases where it is desirable that a policy of a strictly American concern should be obtained, the policies of the San Francisco Fireman's Fund are issued, the latter reinsuring with the German Insurance Pool. Insurance for hull and cargo up to \$1,250,000 are obtainable at the Pool without further reference to the Home Office in Germany.

"It might interest you to know that the forty tons of rubber for which you were kind enough to reserve space on the next outgoing U-boat, have been insured by this Pool at the rate of 3-1/2% per annum, war and marine. It may also interest you to learn that the organization of the Pool was the result of recommendations from this office, and it is needless to say that in these days of blacklisting, is rendering considerable important services to German interests.

"This office and the office of F. Herrmann & Co. are the United States representatives of the Pool. I will take pleasure in assisting in any insurance matters you might be confronted with, and will be glad to see you using the Pool facilities."

By *Document 55*, Borgemeister requests Herrmann & Co. to write the Chase National Bank as follows:

"Through the office of H. F. Albert, there will be deposited with you on September 1st, \$500,000 Imperial Treasury Bonds of the German Empire, maturing September 1, 1918.

"Will you please accept these securities and release against the delivery of same, the \$500,000 Imperial Treasury Bonds of the German Empire, maturing September 1, 1916, now on deposit with you for our account.

"Kindly receipt acknowledge receipt of this letter."

A letter dated August 22, 1916, (*Document 76*) from Albert's office, initiated by Borgemeister, to Mr. A. G. Hays, of the firm of Hays, Kauffman & Lindheim, Attorneys, transmitting a clipping which apparently had reference to the insurance controversy between the alleged German-owned American steamers comprising the American Transatlantic Line (the Wagner fleet), contains the statement that "the un-American attitude of the Bureau of War Risk would receive some effective publicity", and advises that Albert, or Borgemeister, has spoken again to "Mr. M." * * * of this matter.

Document 76-A is a very important memorandum, dated New York, August 31, 1916, entitled "In relation to the Insurance Pool," submitted by Albert to Bernstorff or the German Government directly, but which document is unsigned and which testifies to the assistance rendered by Stallforth & Co. to the Pool. An interesting detail of the report is the statement by Albert that, to provide emergency funds for the German Insurance Pool, he has made a secret agreement with several large New York banks, the Corn Exchange and the Mechanics & Metals National, so that the firm of Herrmann & Co., in case of necessity would be granted short term credits. The relations with the Firemen's Fund are reviewed, and Albert in this memorandum again urges the founding of an American insurance company to be secretly controlled by German interests.

The translation from the German of Albert's file copy reads as follows:

"Even if the advertising of the English 'Black List' substantially only results in making public a really existing condition, the publicity has once more led to the discussion of various steps for protection. The most important and effective measures are possible in the insurance line. According to the rules, it is only possible to obtain war insurance on shipments after the marine insurance is covered. The American National Insurance Bureau expressly makes this a preliminary condition. Only upon the basis of the insurance documents will the banks allow the necessary credits. The blacklisted firms have experienced great difficulties already mentioned in previous reports, of covering marine insurance, because the English companies are forbidden to accept the insurance and because the American and other neutral companies in so far as they are not controlled directly by the English, mostly take the same viewpoint, in order that they are not in danger of themselves being placed upon the blacklist.

"This difficulty, the covering of marine insurance, works indirectly with the providing for shipping space for a shipment. American and other neutral shipping companies obtain from the English, marine insurance on 'hull,' that is for the ship only, when they pledge themselves to accept shipments from firms who are not on the blacklist. Thereby shipments to neutral countries, to the extent that German Insurance Companies are not in a position to get hold of them, are entirely subjected to English control. As a particularly interesting example, I might mention that the U. S. Lloyd has given notice of the cancellation and return of the premium on the insurance for the tug 'Timmins' whose services rendered to the submarine 'Deutschland' may well be known.

"Under these circumstances the founding of the Insurance Pool—this was naturally immediately assisted by the case of the tug 'Timmins'—has proved to be an especially fortunate measure, entirely leaving out of the question the possible support and extension of so important a branch of business as the insurance organization which would result from same.

"The extended arrangements (in concordance with your Excellency's information over the wire) were taken advantage of by various steamship lines—as for example the Gans Line, and the Wagner Line, who were engaged in neutral commerce as well as with Europe (Spain and South and Central America).

"The firm F. Herrmann & Co. is, with my assistance, regularly and actively engaged in calling attention to the advantages of the Pool in pro-German and neutral business circles. All the firms placed on the black list by England are visited by representatives of the firm and have given in part their in-

ance business over to the Pool. In this way the Insurance Pool renders useless most of the measures taken by England at sea and in the war insurance market against pro-German firms in the United States. Steps are also being taken to make possible to firms in South and Central America to arrange insurance on their shipments with the Pool. Since the working of this territory by the firm F. Herrmann & Co. is out of the question, an insurance department for this purpose was added to the firm, F. Stallforth & Co. Inc., New York, with whom I have a certain influence. The agency F. Herrmann & Co. is, in view of the limitation of their business facilities, not in a position to take care of insurance business in South and Central America. On the other hand, the most of the agents of German insurance companies in South America represent also English insurance companies along with the German, and are thus placed in a difficult position in their representation of the German interests. So, among others, the agent of the Mannheimer Insurance Co. has given up the agency for Brazil, so as not to further excite the enmity of the English. Of further importance is the fact that the postal and telegraphic connections between South and Central America and Germany are almost entirely severed, so that news and reports from the agents, through which they might oppose the situation created by English measures, scarcely reach headquarters. Right here is where the firm F. Stallforth & Co. comes in, because they call the attention of South and Central American firms to the benefits of the Pool and take over the arrangements for the insurances, inasmuch as it is impossible for the above-mentioned firms to cover the insurance through the agent in their own locality. Together with this, efforts are being made to get in touch with the hitherto existing agents of the German insurance companies in South and Central America, and to call their attention to the insurance possibilities offered by the Insurance Pool.

"How important the extension of the Pool to South and Central America is, is shown by enclosure #1, which deals with the exportation of La Plata wool to the United States. In consequence of the restriction on trade in Australian and Cape wool against German interests, La Plata wool, if not entirely, is to the greatest part shipped to New York. This Argentine wool export is almost entirely in the hands of German or pro-German firms. In view of that, I have, by radiogram according to copy (enclosure #2), suggested the extension of insurance to the maximum amount admissible under the Pool conditions on such shipments on neutral sailers—for wares and ship. Sailers are especially adaptable for this trade, for the reason that coal supplies in Buenos Aires are very expensive (\$40 per ton) and besides because of English activities it is almost impossible to procure same for pro-German navigation.

"Because of the heavy demands made on the Pool adequate financial arrangements had to be made. Necessary funds should be placed at disposal in case of any large losses. I therefore have made a secret agreement with several large New York banks, the Corn Exchange and the Mechanics & Metals National Bank, so that the firm F. Herrmann & Co. in case of necessity would be allowed short-term credits. Naturally a permanent strengthening of the financial position of the Pool is being produced by the incoming premiums, which are deposited by us in banks friendly toward us. The business has proved itself successful. Losses worthy of mention have not as yet been sustained.

"I may again call attention to the fact that the Fireman's Fund in San Francisco, an American insurance company, has realized significant profit through its connection with the Pool and the firm F. Herrmann & Co. In my report of June 6, 1916, I set forth how important, according to my opinion, the founding of an American insurance company controlled by German interests, would be. I wish hereby once more to urge (commend) the founding of such an organization. It is not out of the question that the Fireman's Fund, which displays in its personnel strong pro-Ally interests, would finally, through the English influence, be moved or forced to discontinue its business relations with the firm F. Herrmann & Co. It must also be taken into consideration that the Fireman's Fund is principally a Fire insurance company and is only secondarily interested in marine insurance, in spite of the fact that as a result of its connection with the Pool the latter was very profitable. The possibility of difficulties which might result to the German companies and to the Pool through a severance of business relations with the Fireman's Fund, could be overcome by the founding of an American company. Besides this, such a company would be able to turn to good use the depression which is prevalent in wide American circles on account of the English arbitrary measures—Black

List and others of the same nature. The psychological moment would have then arrived for the founding of such a company.

"Radiogram #235 stated only indirectly the expansion of the Pool, as communicated to me by Mr. Robinson up to this time. I may therefore assume that also the further instructions by Mr. Robinson, according to which after July 1, 1916, the entire ocean business of the Mannheimer and Nord-Deutsche Insurance Companies would be taken care of through the Pool, whereby these two companies take over only their part in the Pool, are applicable. Officially, the details have not been communicated to me. If the order in question has not been sent, I would suggest that in order to hasten same, it be sent by code through the Central Purchasing Co. or through Mr. Gallenbeck. I have nevertheless, upon the basis of the aforementioned communications—which have been summarized in enclosure #3 in their substantial provisions—acted upon the basis of the general confirmation of the abovementioned radiogram, reorganized my control over the insurances accordingly. During the time when from the first of July bordereaux were daily submitted, from which the particular insurances were apparent and could be tested, the business through the extension of the Pool has been so enlarged that a consideration of the particular risk on my part is no longer possible. In consequence of this, I carry out, with the firm of F. Herrmann & Co., the control in such a way that Mr. Borgemeister, who specially determines these questions and who has had an unusual experience and expert knowledge of the regulations of the insurance body, gets into touch daily with Herrmann & Co., discusses questions that arise, and, if necessary, calls in my cooperation. The financial part is entirely given over to his supervision. Enclosure #4 contains the code for the first business month of the Pool under the new conditions."

In a memorandum dated Berlin, 74 Wilhemstrasse, September 19, 1916, (*Document 76-B*), from the office of the State Secretary of the Interior at Berlin (II. 5714), Herr Richter reports to Albert a conference of interested parties and experts with reference to the proposed exploitation of the German marine insurance field in the United States, and that an overwhelming decision was made in favor of same. This report also contains the interesting information that the conference at Berlin was attended by Mr. Walter Kauffman of New York, member of the law firm of Hays, Kauffman & Lindheim. As a matter of fact, the record in the Rumely case discloses that Mr. Walter Kauffman was actually in Germany at this time, in connection, among other things, with the alleged conference with Sielcken regarding the pretended participation of the latter in the purchase of the *NEW YORK EVENING MAIL* through Rumely.

Richter's report reads as follows:

"The propositions made by you in the memorandum of June 9, 1916, and which I received on July 17th, have been analyzed here under consultation of interested parties and experts, and an overwhelming decision made in favor of same. Mr. Walter Kauffman of New York also participated in the last discussion.

"Since the cooperation of the firm F. Herrmann & Co. constitutes a substantial part of this plan, I cannot conceive of its execution without the approval of the Nord-Deutsche and Mannheim Insurance Companies. Both companies might then be agreed, if they would receive from Mr. Herrmann (with whom Director Post of the Mannheim Insurance Company has been in communication by letter) reassuring explanations, and would convince themselves that Herrmann sanctions the plan and does not intend any substantial encroachment upon the individual business of both companies. The letter from Post left here on the merchant submarine 'Bremen', and will also be discussed on the arrival of this letter. The Directors Post and Duncker have requested that they be favored with an immediate reply. By the above-mentioned opportunity the Board of Directors of the German Insurance Bank Ltd. directed a letter to your Honor, in which various inquiries are made. It is also desired that a reply to this letter be made before a final decision is made.

"To the formulated plan contained in the letter (in code 7) from the Insurance Bank, that the organization to be founded should be a branch of the bank rather than of the German Marine Insurance Co. of 1914. I wish to give my consent. Thereby it would be accomplished, that reinsurance would be procured through other enterprises (firms) than through the German Marine Insurance Co. of 1914 and the companies belonging to the present Pool."

A memorandum dated October 2, 1916, (*Document 81*), to Wade Robinson of Herrmann & Co., presumably from Albert, recommends that the facilities

of the Pool be granted to two Spanish steamers owned by Jova Y Costas, as they would thereby be useful to the German interests.

A memorandum of November 3, 1916, (*Document 73*) to Albert, bearing the signature of Borgemeister, notes the fact that the Pool assets and facilities are sufficient that it is now able to take a one million dollar cargo risk on any steamer, and suggests the Pool insure specie shipments. Across the face of this memorandum, in Albert's handwriting, appears the following:

"Agreed, but with the condition that this is not a *general* consent, but that the matter must be taken up with me in every individual case, and that in general specie has to be insured under the facilities of the individual firms.

(Signed) Albert."

Under date of November 8, 1916, Franz Herrmann prepares still another memorandum (*Document 48*) as a tentative reply to a letter from Germany August 8, 1916, which latter communication is not at hand. In this communication Herrmann again strongly urges the immediate formation of a so-called American company, to be financed to the extent of \$2,000,000, \$750,000 of which is to be capital and \$1,250,000 surplus, the new American company to take care of the business of the Mannheim and the Nord-Deutsche "when the necessity of circumstances makes it impossible for these Companies to continue their business." This memorandum is transmitted by Herrmann over the latter's signature, to Albert, by letter November 8, 1916, which letter follows the memorandum herein:

"Ad #1. The plan to found an American Company under German control has not only been thoroughly discussed with me and is not only approved by me, but the thought originated with me. The necessity for founding such a company can be considered from three points of view. The most obvious point of view which makes such a new company an absolute necessity in the interests of the German Companies represented in our office is the possibility of war or severance of diplomatic relations between the United States and Germany. In fact the thought of founding an American company in the way suggested came to me at the time when conditions seemed to be very critical, and when very numerous agents and assured of ours commenced to inquire what would and could be done with the Mannheim's and/ or Nord-Deutsche's business in case of actual war or serious political differences between this country and ours.

"The second point of view is that, leaving aside the question of possible war or serious political complications, at least during the duration of the war the German Companies have a very hard time to retain their old and get on their books new business even from their well-wishers, since on account of the English measures (blacklist etc.) they are debarred from using the policies and/ or certificates of German Companies on all such shipments; likewise bankers at times refuse to accept German insurance policies and certificates, and we cannot always ask our clients to re-arrange their banking arrangements.

"It was therefore necessary right along to give the Fireman's Fund Insurance Company a great deal of the business heretofore held by the Mannheim Insurance Co. and/or the Nord-Deutsche or new business which would have come to one of those companies under normal conditions.

"The third point of view is the benefit which an American company will have for our German Companies under any and all circumstances during and after the war, and that is that it will be in a position to take care of American business which would not naturally go to our German Companies, but would in fact be lost to them since there is no denying the fact that quite a number of American shippers are asking and will continue to ask for American policies, and since there is further no denying the fact that a certain number of Americans are so decidedly pro-Ally in their sentiments that they will not give business to German companies.

"From these three points of view the founding of a company as suggested does not only appear very highly desirable, but in case of war or serious friction practically a necessity, as in the case of war even the Fireman's Fund could not continue its present reinsurance arrangements with the Mannheim and Nord-Deutsche.

"Ad #2. I reply to the *Third* paragraph of Subdivision #1 and to Subdivision #2 as under Ad #2 because these two paragraphs really belong together, dealing with the Fireman's Fund.

"The Mannheim Insurance Co. is not correct in assuming that our present deal with the Fireman's Fund Insurance Co. cannot be terminated before the

1st June, 1917. When the Union Marine Insurance Company of Liverpool withdrew from the formal agreement in the Fall of last year, the same was ipso facto to an end. It was never renewed in a formal way, but is at the present time what might be termed "a gentleman's agreement" between Mr. Levison and the writer. But whether there were a formal agreement or not would have no bearing in case of actual war because that would ipso facto terminate it.

"It is very true that the present relations between Mr. Levison, Vice-President of the Fireman's Fund Insurance Company, and the writer are of the most intimate and cordial personal character, but it is also true that Mr. Levison will and must look at business matters not from a personal and sentimental point of view, but from a strictly business point of view and will always take such steps as in his judgment will serve the interests of his Company best.

"Ad #6. I most decidedly claim that the total funds of the Company should be two million, not its capital but its capital and surplus. I would suggest that the capital be made \$750,000 and the surplus \$1,250,000. It is the surplus of companies that is particularly taken into consideration by the insuring public on this side, and the larger that surplus the more confidence the insuring public have in the company.

"The capital according to the laws of various of the States of the United States must remain unimpaired at all times, and comes only into play in case of a company being impaired and thereby losing its right to carry on business.

"In these days where the biggest fire insurance companies in the United States have gone and are going one by one into the Marine Insurance business only well founded companies have a chance of success.

"Ad #7. The proposition contained therein is entirely satisfactory to me ~~and would, as I can see it, do away with the subscribing of capital of a number of German Insurance Companies.~~

"Ad #8. There is no legal obstacle in the way of investing such funds of the German Insurance Companies as are in excess of legal requirements, that is funds which we have accumulated since the war commenced and which we would have remitted if we were not debarred by a ruling of the Insurance Department of the State of New York so to do, and these funds have now, particularly in the case of the Mannheim, reached quite considerable proportions and it would seem to me possible that between the two companies we could probably buy \$700,000 to \$800,000 of Schatzscheinen. We have heretofore refrained from investing more than \$250,000 of our available funds in these securities because we felt that in view of the distrust largely held by American bankers and American business men of any German securities it would be unwise to show in our annual statements large amounts thus invested. But in view of the radiogram received from the Nord-Deutsche recently asking us to remit all available funds, or in case of this not being possible, to guard against confiscation, I came to the conclusion that, although we believe there is but barely the remotest kind of a chance of confiscation, we might guard against that danger by investing all funds not actually needed to meet legal requirements in those Schatzscheinen, because if they were confiscated by the United States Government in case of war they would not be much good to them. Besides, the credit of our office is now so well established, and any kind of doubt on the part of insurance brokers and the insuring public as to our ability to meet even the largest claims so completely removed, that the same danger of prejudicing the companies' standing by investing in those German securities no longer exists as it existed a year ago.

"Furthermore, there would be no necessity for investing this money in Schatzscheinen until after the first of the year, after our annual statements have been rendered to the various Insurance Departments, so that any such investments would not be shown in the next annual report of the Insurance Department anyhow.

"What the condition of affairs will be by the end of 1917 we do not know at present, and I feel we can well afford to cross that bridge when we come to it.

"From anything said under this heading it should not be inferred by anybody that we can do without the special deposit of half a million dollars arranged by your good self. The withdrawal of any funds which we have at our disposal would of course at once prejudice our position.

"Regarding the last two paragraphs of the letter, I have informed Mr. Levison of their contents and told him to take the necessary steps to have the risks in question booked and reported as requested.

"With reference to the letter dated 19th September, I find that in the last paragraph it is suggested that the business of the new company should go on.

other channels than those now comprised in the German Pool. This in my opinion would be wrong. The new American company, as I view it, is supposed to practically take care of the business of the Mannheim and the Nord-Deutsche when the necessity of circumstances makes it impossible for those companies to continue their business. In addition to that it is supposed to attract business which would not otherwise be likely to come to those companies during or after the war; but that would all be business perfectly fit for the Pool because if it is business which the German Companies would otherwise not get it is not likely to accumulate with such business as is constantly written by those companies and the same Pool could therefore easily take care of it. If the reinsurance was arranged as is suggested in the paragraph of the letter referred to it would mean that the benefit of business written by the new company would be entirely lost even to the Mannheim and the Nord-Deutsche, and with them to all the other members of the Pool. This is surely not the intention and my suggestion therefore is that the business of the new company should go to the same channels as the business now written on behalf of the Pool by the Mannheim and Nord-Deutsche.

"In the foregoing I have given you as detailed as possible my views in regard to the points referred to in the letters under reply. The whole matter can be summed up in the few words: "We want to be prepared for any contingency".

"Ad #7. Since dictating the above I had a talk with Mr. Borgemeister in reference to the last two paragraphs of the letter dated August 8th. In the course of this conversation it became gradually clear to me that the German Insurance Bank is not, as I assumed, a financial institution pure and simple, but actually some kind of an Insurance Company. I must therefore reverse by statement, that the contents of paragraph #7 were entirely satisfactory to me, because this in effect would mean that the business written by the new Company would be lost to our German Companies in whole or in part and would of course not be in accordance with our intentions."

Letter of Transmittal.

"DEAR DR. ALBERT: In reply to your favor of the 6th inst., I beg to enclose in the form of a Memorandum my reply to the various points enumerated in a letter dated August 8, 1916.

"It goes without saying that you can use my memorandum in any way you see fit, i. e. add to it, change it, or leave out any part thereof as you please. My main object is solely to put my own views before you.

"I am writing a note to Director Post and to Mr. Duncker just telling them that I am fully in sympathy with the scheme and that I have been consulted by you in regard to it from the beginning."

A letter of November 8, 1916, from Albert's office, initialed by Borgemeister, to Director Bruders of the Deutsche Versicherungs Bank (*Document 72-A*), indicates the benefit of pro-German facilities for marine insurance in shipping wool from the Argentine to the United States, so that the property right of "the American owner can hardly be contested", and apparently concealing the real German ownership. The letter reads as follows:

"I am in receipt of your letter of September 20th, relative to the wool insurance on sailers. I have notified F. Herrmann & Co. of your request, and the amounts in excess of the Pool limit will be accounted for by them to the Deutsche Versicherungsbank. In the same banner the business written under the special limit of \$500,000 hull insurance will be accounted for. I have requested F. Herrmann & Co. to send you a list of such risks, if possible to be forwarded by the U-boat 'Deutschland'. No excesses on sailers for wool cargo have occurred so far. I enclose herewith, for your perusal, a copy of a letter written by F. Herrmann & Co. to the Mannheim Insurance Co. which deals with the \$500 000 extra hull line.

"With regard to your postscriptum relative to war risk insurance to be written 'free of capture,' I desire to state that such insurance would not be acceptable to the assured. I desire to mention, however, that the shipments of wool from Argentine to the United States are financed and consigned in such a manner that the property right of an American owner can hardly be contested. To this may be added the fact that the sailing vessels which would come under consideration for such wool shipments, would practically all sail under flag. The assured would at all times prefer a policy written by the American Bureau of War Risk, which affords them better protection. If part

of the insurance is covered by a policy from F. Herrmann & Co., that firm will always require, at least for part of the risk, the American Government as co-insurer, which naturally improves the risk to a considerable extent. The facility we requested in my cablegram was principally for marine insurance.

"I note from your letter of August 8th, of which I have received a copy by the U-boat 'Deutschland,' the original having been sent by the U-boat 'Bremen,' that you had forwarded a copy of the Pool Agreement by the U-boat 'Bremen.' It is needless to say that the copy has not been received, and your kind sending of another copy will be highly appreciated.

"The principal subject of your letter of August 8th will be replied to in a separate letter.

"P. S. Correspondence in English is due to limited time."

Document 112 is a communication from the Imperial German Consul at Porto Alegre, Brazil, to the German Embassy at Washington, acknowledging Embassy letter of September 22, 1916, which was apparently a communication directing the placing of marine insurance with the German Pool, stating that the contents of the German Embassy letter have been confidentially given to local persons interested, and that the Consul has been requested by such persons "to secure information as to whether a similar arrangement exists for fire insurances with reference to the fact that several local German firms are always still forced to insure with English companies, because the German companies represented here do not wish to run the whole risk on account of the high insurance."

Document 50, being a letter from Albert, dated New York, November 10, 1916, to the German Insurance Bank, Berlin, is interesting, both as acknowledging receipt of the letter of August 8th from Berlin in reference to the Insurance Pool above referred to, and also because, so far as I know, it is the first semi-official acknowledgment of the sinking of the "Bremen." Albert's letter reads as follows:

"Your favor of August 8, 1916, with questions contained relative to the founding of an American Insurance Corporation, I have received in copy. The original, unfortunately, went down with the 'Bremen.'

"At the same time I have, by writ of the State Secretary, been requested to give an opinion in the matter. In view of the fact that I, because of the brief presence of the 'Deutschland,' am overburdened with official and business mail, I beg to be permitted to refuse and to ask you to send to the Imperial Office of the Interior for the report sent them, from which will appear in connection with its enclosures all things substantial.

"The over-burdening of my office has made it necessary for me to dictate in English my instructions in connection with the technical special questions of the agreement."

Upon the same date, November 10, 1916, Albert prepared a more elaborate report (*Document 50-A*) marked "II. 5714, in re Decree of September 19, 1916," to the State Secretary of the Interior at Berlin, commenting upon the misgivings of the Nord-Deutsche and Mannheim Insurance Companies with reference to the entrance into the German marine field by the proposed new American company and consequent expansion through the latter. Here again is the suggestion that the proposed American company must have "a purely American appearance," and that the stock must be taken "a smaller part *actually*, the balance *formally* by Americans," 90 per cent of the stock thus to be held by "dummy" stockholders for the benefit of German interests, to be "deposited in safe hands with a confidential man so that the control would be in German hands," and the American company to be conducted as a pretended completely independent concern.

* * * * *

The document reads as follows:

"The decree alluded to has led me to request of the firm F. Herrmann & Co. a detailed statement, which I enclose in original. Your Excellency will note therein that the misgivings of the Nord-Deutsche and the Mannheimer Insurance Co. are unfounded. Not only will the business of these Companies not be jeopardized, but will receive in the proper organization of the American company new possibilities of expansion.

"The memorandum likewise contains the answers to the questions asked by the Deutsche Versicherungsbank in its letter of August 8, 1916. The original of this letter was unfortunately lost on the hapless "Bremen."

"In the suggestion of the establishment of an American company I was naturally influenced, along with consideration of the legitimate interests of

both German Insurance Companies, by a general economic viewpoint. There is involved the finding of a way that would make it possible for these Companies to expand even after a possible breach of the relations between Germany and the United States; furthermore, the opposing, through extended insurance possibilities, of the English measures for interfering with German trade, and the extension of the insurance business resulting for German account, after, as well as during the war, and likewise the cooperation in the reconstruction of our overseas trade.

"The advantages of the establishment of an American company during the war would, in view of the statements in the memorandum of the firm F. Herrmann & Co., with which I agree, require no further elaboration. As the possibility of a breach of relations between Germany and the United States is unfortunately not eliminated, but has rather come again into consideration recently through the excitement here over the torpedoing of two American ships and an English passenger ship, a speedy determination is for this reason desirable. For me, however, the possibility of the severance of German-American relations forms only the starting point for the suggestion of the establishment of an American company. The difficulty lies in the extension of the insurance business resulting for German account, after as well as during the war. In this connection I can refer in general to the statements in my memoranda of June 6 and August 31, 1916.

"The German insurance companies seem to overlook the fact that there is involved not only the business in the United States, but the extension of the business to the entire overseas trade. An American company would naturally not be bound to the previous limitation of the business, as it appears in different countries through the competency of the agencies of the German companies. In their business jurisdiction there would rather fall, in addition to the insurance undertaken firms in the United States, also those in the trade between the South and Central American countries, as well as between the east and between South America and other parts of the world. This would result in the new company being able to successfully enter into competition for this business, which according to the correct statements of the firm F. Herrmann & Co. can, for general reasons, be more easily conducted in American than in German channels. This would mean an extraordinary extension of the German business. In harmony with this substantially is the viewpoint that for a long time after the war the German business can be carried on and extended indirectly through American organizations more easily and successfully than from Germany, a viewpoint the consideration of which I can not sufficient impress also on other lines.

"II. I take the liberty of amplifying in a few details the statements in the memorandum of the firm F. Herrmann & Co.

"I, too, regard the application of a capital of \$2,000,000 as imperatively necessary. If a company newly appearing on the insurance market is to work with success, it must control considerable capital. A small establishment is purposeless, because it would find no confidence. Recently even the large American fire insurance companies are turning to marine insurance business. These companies control extraordinarily large capital, so that even from the standpoint of capacity for competition, the capital of the new company proposed by us cannot be fixed high enough.

"The providing of the money I have thought out in the way of my placing the two-year treasury notes standing at my disposal, with the insurance companies and elsewhere. The opinions that are expressed by the directorate of the Mannheimer Insurance Company as to the possibility of this method of provision, find no support in the legislation here. Furthermore, my efforts have already been accompanied by success to the extent that I have already placed treasury notes in the total amount of \$875,000 up to November 1st of this year. Of these \$875,000 I have placed in the principal amount at the disposal of the Reichsbank, because, as a result of the delay of a decision on my suggestion, I had assumed that the plan of the establishment of a new company had been abandoned. However, I hope to be able to provide an additional two million dollars in the same way, especially if my effort—as to which I am making a special report—to get the German Insurance Companies operating in the United States to send suitable instructions to the local agencies, is successful. Consequently a remittance from Germany in only a very small amount would be involved, if it should be necessary at all. The considerations as to exchange therefore disappear. Naturally the company would be

obliged to reimburse the Imperial Treasury for the interest, the discount of the treasury notes and the costs, which could not altogether exceed six per cent.

"The company must have throughout a purely American appearance. Consequently the shares must all be taken, a smaller part actually, the balance formally, by Americans. I have considered, for the actual undertaking by the American stockholders, about ten per cent. According to that, of a capital of \$750,000, \$75,000 would be in the hands of the American stockholders, and to the latter would accrue the right to dividends, etc. The balance or principal amount would, it is true, be formally in the name of the stockholders, but would be deposited in safe hands with a confidential man, so that the control would be in German hands. That the American stockholders would be thereby later allow ten per cent on the profits of the company coming in in the course of time—at the beginning they would receive only interest—is a not unreasonable reimbursement for the furnishing of their names under present circumstances. Under the latter consideration still further reimbursements will be involved. I may assume that a free hand will be given me in the cooperation with the firm F. Herrmann & Co. in this respect, especially in all questions as to the organization of the company, as the ultimate determination depends on the course of actual circumstances.

"The company must be established as a formally completely independent company. Especially can there be no connection as far as publicity is concerned. Therefore, special care must be taken in the selection of the founders and of the American stockholders. It necessarily follows that the actual existing connection should be treated to the utmost degree confidentially even in Germany, and that therefore the exercise of the rights arising from the possession of ninety per cent of the stock can be made only through one company. That this should take place, and in fact exclusively, through the Deutsche Versicherungsbank Ltd. and that all negotiations before and after the establishment should take place between these companies as well as myself and the firm F. Herrmann & Co., seems to me also advisable.

"The circumstance, in accordance with this, so shapes itself that a new purely American sea-insurance company appears on the local market and turns its representation over to the firm F. Herrmann & Co. The latter had, before the war, represented German, English and American Companies. After the outbreak of the war it naturally gave up the representation of English Companies. The firm will turn over all insurance business to the companies represented by it, preserving the interests of the old companies. As soon as a German or American policies become necessary—I am conceiving first the case of the continuance of friendly relations between Germany and the United States—the newly established company will issue its own policy and give the old companies a suitable share through reinsurance, or it will receive, in a policy issued by the German Companies, a proper share in the way of reinsurance. Detailed provisions as to this division are impossible under the conditions of affairs. Above all, the firm F. Herrmann & Co. must receive a free hand. There are no objections to this, because, for one thing, the head of the firm, Mr. F. Herrmann, is an especially trustworthy, right-thinking individual, and because, on the other hand, during the war a control would be exerted through me, later in another way. According to this both German Companies, namely, the Mannheimer and the Nord-Deutsche Insurance Companies will continue to receive their old business to the full extent. In addition to the American insurance company already standing in agreement with these companies, the Fireman's Fund, will still participate on the basis of the agreement with the German Companies. Of the new business the new company will receive a part immediately, another part mediately through reinsurance of the insurances undertaken by the three old companies, which would furthermore in many cases share with the new company the old established business now possible of further expansion through the entry of the new company.

"The agencies of the other German insurance companies already operating in the United States can, during the war, be left out of consideration for reasons submitted by Mr. Herrmann. In any case, according to the state of affairs, only *one* firm can assume the representation of the new company. In addition of other representatives, altogether aside from the above-mentioned viewpoint, would be an impossibility and lead to friction. It is likewise imperatively necessary that on the other hand, in Germany, only *one* company, namely, the Deutsche Versicherungsbank, should take part in control. How the Deutsche Versicherungsbank for its part passes the business on through reinsurance in blank, must be left to it.

"In case of war the whole business, which would be entirely lost to Germany without the establishment of the new company, would be transferred to the latter, which would in turn reinsure, *indirectly through neutrals*, with German companies. In that case then there must be given to the Mannheimer and to the Nord-Deutsche Insurance Co. a proportionate share, to be determined over there, of the reinsurance.

"The question as to which neutral insurance companies are to be used in case of war for a reinsurance of the policies issued by the newly established American company, must be answered by the Deutsche Versicherungsbank over there. Whether the Scandinavian-American Company, against which no objections are to be raised here, is to be considered for this, I cannot tell.

"After the end of the war a final adjustment of the conditions could be undertaken."

Still another memorandum over the original signature of Borgemeister, for Albert, relative to the Insurance Pool, dated New York, November 22, 1916, is *Document 84*.

This memorandum refers to a meeting of the members of the firm of Herrmann & Co. and their attorney, Mr. Kneeland, to study the financial arrangements of the Pool, in view of the large lines requested for South America, and to express views as to the financing of the proposed American company "and the preparations so far made", as a result of which study it was determined that the finances of the Mannheim and Nord-Deutsche Companies, underwriting the Pool, are just about adequate for the lines of the Pool as at that time constituted, the Pool then being able to underwrite on one steamer and cargo \$1,750,000.

The memorandum then agrees that the Companies are at present "skating on decidedly thin ice", recites the necessity for adequate financial strengthening, and that Borgemeister proposed to Albert to place at the disposal of the two Companies an additional security deposit of one-half million dollars each. At the same time Borgemeister promises to overcome the disadvantages of the limited market in Imperial German Treasury Notes "by arranging in the two banks the security deposit in such a manner that F. Herrmann & Co. would be in a position to call at such banks for a cash credit of 80 per cent of the security deposit, the idea being to call for the cash when a substantial loss necessitated large cash resources, and to refer the Insurance Examiner to the bank in the event he should question the liquidity of the security. Mr. Kneeland was of the opinion that a tentative credit would hardly suffice."

The memorandum states further:

"It must be expected that the entire limit will be used fairly regularly on ships and cargoes of the Wagner Line. * * *

"I wonder therefore, whether Mr. Herrmann had sufficiently considered this side of the question when he offered the assistance of between \$700,000 and \$800,000 for the financing of the new company. The financing and the organizing of the new company must be done on fairly broad and liberal lines to the prospective investors, and a number of the parties interested in the organization of the company, such as blacklisted firms and steamship concerns, and probably one or the other of our private bankers here, must be called upon to help us in the establishing of same."

Several interesting memoranda are attached to the foregoing, including the following:

"*Members of the Firm of F. Herrmann & Co. and their Nationality:*

Franz Herrmann	German	Joseph S. Wall	Canadian
Orton G. Orr	German	Wade Robinson	American
Charles E. Dean	English	Frank H. Osborn	American

"*Insurance Companies having as United States Managers, F. Herrmann & Co.:*

Mannheim Insurance Company.
 Nord-Deutsche Insurance Company.
 Fireman's Fund Insurance Company, Atlantic Marine Department.
 Scandinavian American Assurance Corporation, Limited, of Christiania, Norway.

A financial statement of the Nord-Deutsche and Mannheim Insurance Companies, United States branches, as of November 22, 1916, is also attached, which shows:

For the Nord-Deutsche Co.:

Total Assets, with "Securities, including Special Asset of
 \$500,000 in German Government Bonds" \$1,249,324.08---- \$1,934,449.80

For the Mannheim Co.:

Total Assets, with "Securities, including Special Assets of \$500,000 in German Government Bonds" \$2,039,200.94----- \$3, 112,648.76

Document 109 is a letter dated New York, November 25, 1916, from Albert to H. W. Letton, of the Prussian National Insurance Co. of Stettin, Chicago, Illinois, giving facts with reference to an issue of \$5,000,000 German Treasury Bonds payable September 1, 1918, and stating:

"Approximately one million dollars of the issue have been sold to companies similar to yours: the Munich Re Insurance Co., the Nord-Deutsche Insurance Co., the Mannheimer Insurance Co., the Hamburg Assurance Co., and others.

"The bonds have not been offered for public subscription.

"The remainder of the bonds are in our portfolio, part of them having been used from time to time for collateral purposes to finance the local currency requirements of the Imperial German Government.

"I have instructed the Central Trust Co. to hold at your disposal up to \$200,000 of these bonds."

A radiogram dated New York, November 25, 1916, (*Document 86*), from Albert to Dr. Bruders at Berlin, reads:

"Enlarging of present cargo insurance neutral steamers South American and United States both directions by one million dollars essential for maintenance of blacklisted concerns South America. Principal cargo in question wool and hides. Wagner contemplates inaugurating regular service. Herrmann states business very desirable and suggests underwriting and reporting of additional line in same manner as present Pool business. Notify Dr. Bruders."

Upon December 15, 1916, Albert, apparently anticipating a favorable reply to the foregoing, by radiogram of the latter date to the Secretary of the Interior at Berlin, (*Document 87*), advises:

"Anticipating favorable reply to Radio No. 516 have authorized companies writing additional one million dollars marine and war insurance. In interest of blacklisted firms essential that line for marine and war insurance cargoes mentioned radio 516 be increased to three million dollars with authorization to write in special cases up to four million dollars as prices of goods have immensely increased. War insurance written only if coinsurance governmental department. Business strongly recommended by Pool agent."

A radiogram from Albert to the Secretary of the Interior at Berlin, dated November 25, 1916, (*Document 62*), again indicates the use of the German Pool in fighting the British Blacklist:

"American Shipping concern considers inaugurating regular service between South America and United States for blacklisted firms provided insurance question satisfactorily settled. In interest of maintenance of blacklisted concerns urgently recommend enlarging of present cargo insurance neutral steamers both directions by one million dollars. Principal cargoes in question wool and hides. Herrmann states business desirable suggests underwriting and reporting additional line in same manner as present pool business. Notify Bruders."

Albert, in a letter to Herrmann & Co., dated New York, November 27, 1916, (*Document 61*), refers to the above wireless for an increase for cargo line to and from South America, as follows:

"I have today recommended by wireless an increase of the cargo line to and from South America of \$1,000,000. I enclose a copy of the wireless.

"From our conversation of last Friday, I gained the impression that the additional \$1,000,000 line will not require further financial assistance on your part. Will you please state to me that I am correct in this.

"There is a possibility of my being able to place with or through the representatives of the firm of Staudt & Company of Boston and Buenos Ayres, Mr. Richard Wagner, the President of the American Transatlantic Line, an amount of \$1,000,000 Imperial German Treasury Bonds. I have intimated to them that I desire these funds in order to strengthen the insurance capacity of the Pool, in which, by the nature of their business, they are vitally interested. I intend to accept these funds without any conditions as to how they are applied to further the insurance power.

"The \$1,000,000 would of course assist very much in our financing the contemplated American Corporation, in such manner as we most desire.

"Do you still feel that either parties under such an arrangement might feel entitled to special considerations in the way of insurance on account of their financial assistance? You mentioned such a possibility as an undesirable feature in interesting large shippers or steamship owners, if they would buy taken shares or helped to finance the company directly."

A letter from Herrmann & Co. to Albert, dated New York, November 29, 1916 (*Document 52-A*), states that current funds of the German Insurance Companies, if invested in German Treasury Notes, might necessitate calling upon Albert for financial assistance to liquidate a possible extraordinarily large loss, and welcomes the realization of an opportunity to sell to "certain firms named in your letter" German Treasury Notes "to facilitate the financing of the prospective American company."

The following memorandum for Albert from Borgemeister, dated November 29, 1916, (*Document 75*), relates to war risk insurance on the S. S. "Bjornsen," chartered by the Swiss Government from the Gans Steamship Line, to take a cargo of grain for the Swiss Government to the French port Cette, for trans-shipment to Switzerland * * *

"Herrmann feels that he does not want to bind the Pool for this risk, in view of the active torpedoing during recent weeks. He states that to the submarine commander, the cargo would appear as for a French destination. He realizes, however, the necessity of our protecting such shipowners who are not willing to adhere to the regulations of the British Admiralty, and that the risk might be written for political reasons. If this office considers the political reasons of sufficient importance he will write the risk, but desires such a statement from our office."

A memorandum for Albert from Borgemeister, dated November 29, 1916, (*Document 71*), quotes Herrmann as reporting that he is swamped with letters from Central and South America, as a result of the circular letter sent to the Embassies in connection with insurance matters; urges that the matter be carried further; and states that further business between South and Central American countries and other neutral countries in Europe and the Far East will be offered, and for this business desires a special authorization from Albert. Herrmann is reported as being "heartily in accord with our efforts and considers them absolutely essential. He has engaged Mr. Paul Wolf to attend to this business and to deal with us in connection with same."

A typewritten memorandum (*Document 107*), dated New York, December 4, 1916, over the original signature of Albert and bearing notes in Albert's handwriting reading:

"Mr. Heynen O. K.
Mr. Borgemeister O. K.
Agreed? 4/12."

refers to a conference with Herrmann, Carl Heynen and Borgemeister. The conference, according to this memorandum, related to the eventualities that might arise by the inadvertent torpedoing, by German submarines, of neutral vessels. The advantage of insuring neutral ships destined to neutral countries is set forth, for, in the case of the sinking of such a vessel by a German submarine and consequent claim against the German Government, if such claim were finally allowed, the reimbursement would automatically pass to the insurance company, and therefore the advantage of such reimbursement passing, not to citizens of strange countries, but to citizens of Germany, is noted:

"The authoritative viewpoint why war insurance must be accepted by us, is because it deals with ships which are on the black list, and for that reason shipper as well as the owner of the vessel cannot obtain war insurance either from the English or American corporations. * * * There exists, however, on the German side, an acute interest that no further tonnage be supplied to the Allies. * * *

"We would also lose the possibility of keeping in existence the German firms which are on the blacklist."

A letter from Herrmann & Co. to Albert, dated December 5, 1916 (*Document 85*), sets forth in terms "the main reasons for establishing the present large line of marine and war risk insurance for business carried on between the United States and the rest of the world:

1. The maintenance of German insurance business against British boycott measures.
2. The assistance to blacklisted firms in the United States as well as in other countries, particularly in South and Central America.
3. The preventing of neutral tonnage from being used in the service of the Allies.

"These reasons only apply to business conducted between all neutral countries. Therefore, referring to our conversation today, I herewith agree to your firm writing war risk insurance contracts for account of the Pool, for shipments which are not intended for and from the United States, but between the ports of South America and Central America and other neutral countries besides the United States."

A letter (*Document 93*) dated Atlantic City, December 9, 1916, from O. Bauer, of Staudt & Co., Boston, addressed to Borgemeister, reports that he has to stop shipment of 700 bales of wool and might have to stop shipment of 25,000 hides on a steamer of the Wagner fleet, because of inability to get insurance, and urges that proper action be taken to avoid similar difficulties occurring on other steamers; noting that he will desire between one and two million dollars on the next boat, and another half million on the "Manitowac" whereupon Borgemeister writes to Herrmann, by letter December 11, 1916 (*Document 70-A*):

"I herewith authorize the writing of an additional \$1,000,000 marine insurance on cargo of S. S. 'Manitowac' of the American Transatlantic Line, and shall notify the Pool authorities by wireless to that effect."

"I decided to authorize this additional risk in view of the urgent help which is required by friendly interests in Argentine."

By telegram to Albert, c/o Imperial German Embassy at Washington, December 15, 1916, (*Document 64*), Borgemeister advises:

"You will be interested to hear that department has granted additional two million dollars insurance on cargo."

A memorandum, presumably prepared by Borgemeister, dated New York, December 16, 1916, for Albert, (*Document 69*), outlines a plan to hold the South American trade against the British interests by the use of the Gans and Wagner steamers for the benefit of blacklisted firms; indicates the importance of German marine insurance control upon German shipping; urgently repeats former request for an additional line of a million dollars from Germany; also advises that Wagner had secured for the Wagner Line boats the facilities of the American Bureau of War Risk, the Government war insurance theretofore declined, in the amount of \$2,000,000, which interest on the part of the United States Government was believed to be sufficient to protect the boat from seizure by the British. The memorandum reads in part as follows:

"For some time this office has been considering measures which would effectively protect the interests of German merchants in South America, especially in Argentine. It was quite apparent to us that the English blacklisting policy would result in their being deprived of shipping facilities to European countries as well as to the United States. Furthermore, we were convinced that insurance facilities would be entirely lacking, and that the question of credits might also be a difficult one."

"*Tonnage*: In order to supply tonnage, we negotiated with the Gans Steamship Line for the inauguration of a service from the United States to South America, possibly in conjunction with the American Transatlantic Steamship Company (Wagner steamers). The Gans Steamship Line made efforts to secure American bottoms. We soon found it was impossible to secure satisfactory American ships; either the ship owners refused to enter into a charter agreement with the Gans Steamship Line because of their fear of being blacklisted, or they would not agree to the Gans Steamship Line accepting cargo of blacklisted firms. We were therefore confined to the steamers of the American Transatlantic Line (Wagner) and to the sailing vessels which were controlled."

"We have brought the principal parties interested together, i. e. Wagner and the principal exporters from Argentine who are represented by Staudt & Co. of Boston, and the following facts have become clear:

"That there is an urgent necessity for action."

"That there is sufficient cargo available for bi-monthly sailings from Argentine for the seven available Wagner steamers."

"That the question of sufficient freight from the United States is solved."

"That the cargoes from Argentine will principally consist of hides and wool and will therefore be extremely valuable. The cargo of the first ship 'Manitowoc,' has an estimated value of at least \$5,000,000."

"As far as bunker coal is concerned, Wagner has solved the problem by making arrangements with the German Coal Depot at Buenos Aires, and by a coal concern in this country which has undertaken to supply the Wagner Line."

steamers. The coal is to be transferred as part of the cargo of the Wagner steamers. Our sailing vessels will also assist, the 'Brynhilda' for instance having been partly chartered for coal for the American concern which is supplying the Wagner steamers. We have also brought the Wagner concern in touch with the Hamburg-American Line, in order to have the latter extend the facilities of their coal depot in St. Thomas, D. W. I.

"It is contemplated that, if necessary, additional American steamers will be chartered for the purpose of enlarging the fleet of the American Transatlantic Steamship Company.

"Wagner has advertised in the Journal of Commerce for freight, and the facilities to and from South America will undoubtedly be availed of principally by blacklisted interests. The advertisement is now appearing in the Journal of Commerce, and a copy of same is hereto attached.

"*Finances:* Our discussion with Mr. Oscar S. Bauer of Staudt & Company, convinced us that no financial assistance is necessary at the present time. It appears that several of the large Boston bankers will place considerable credit lines at the disposal of the Argentine wool and hide shippers or their agents. Effective steps have been taken by our office to secure revolving credits sufficiently large to insure the financing of important shipments. Such credits have been offered by the Mechanics & Metals National Bank, as well as by the Central Trust Company. We might have to look for ways and means to get in touch with the small German exporting houses which have not so effectively prepared the financing of their export business to the United States as have Staudt & Company, Altgeld & Hart, etc.

"*Insurance:* It is well to mention that most likely the insurance difficulties which all neutral blacklisted steamship owners have encountered, would have brought about the sale of the Wagner fleet during the early part of the year, if this office had not obtained special insurance Pool facilities to take care of them. The entire Wagner fleet, outside of the three steamers held in England, is insured in the Pool. That this fleet is still available to our interests is principally due to the Insurance Pool facilities.

"English measures in the insurance markets, of course, extend further than full insurance. Outside of a portion of about \$500,000 which independent American companies will be ready to take, the entire insurance will have to be carried by the German Pool, at least as far as marine insurance is concerned. Strenuous efforts have been made to secure all possible assistance in the insuring of the cargo of the S. S. 'Manitowoc' in neutral countries. The amount so covered can only be very small.

"It was absolutely essential that the Pool limits should be extended. Unless the Pool is prepared to assist, the venture will be impossible, and help can not be extended to our interests in South America. We wired as early as November 25th for an additional line of \$1,000,000, but as yet have received no reply. In anticipation of a favorable reply, we authorized the cargo insurance limit to be extended from \$1,000,000 to \$2,000,000. We received the assurance of Mr. Herrmann that even much larger lines than the above could be re-insured in Germany, and that the business as far as an insurance proposition goes, is most desirable and sought after by underwriting companies. This additional facility seemed to just cover the requirements in the instance of the S. S. 'Manitowoc.'

"Wagner has succeeded through strenuous and continuous efforts, in securing for his boats the full facilities of the American Bureau of War Risk, the Government war insurance, which had previously been declined.

"The American Bureau of War Risk at once accepted the line of \$1,000,000. We requested Staudt & Co. and Wagner to telegraph to Washington, and to have their banks and the importers of the wool telegraph at the same time for an additional insurance line. Our efforts resulted in our obtaining an additional line of \$1,000,000. The War Risk Department is therefore interested to the extent of \$2,000,000 on the cargo.

"Previous to our receiving the information that the American Bureau of War Risk had granted an additional \$1,000,000 we had authorized the Pool agents to write an additional war risk insurance of \$1,000,000. We have requested F. Herrmann & Co. to reinsure as much as possible of the additional line with the Bureau of War Risk.

"Although we have received confidential information from a most important source in Argentine, that Great Britain might undertake a high-handed stroke to make the venture impossible by detaining the vessel in some English colonial port, we feel that, in view of the \$2,000,000 interest on the part of the United

States Government, sufficient political pressure would be brought to bear to prevent this possible detention from being sufficiently long to require the payment of the war risk policies. It would seem much more likely that the English have taken steps to frighten the shippers, the ship owners and the consignees."

A letter over the signature of Herrmann, to Albert, dated December 18, 1916 (*Document 66*), refers to a shipment of one million dollars gold by the "Ausable" and "Winnebago" of the Wagner Line, and after stating that the German Pool eliminates shipments of specie, adds:

"... we can write a further line of \$25,000 in the Fireman's Fund and a further line of \$50,000 in the Scandinavian-American Insurance Corporation." * * * * *

"As in our various interviews we have invariably agreed that everything should be done to enable Mr. Wagner to obtain all the freight possible to engage his steamers in various trades remuneratively, it goes without saying that that consideration will act as a strong argument in favor of obtaining additional facilities for our office."

Albert, by a report dated December 21, 1916, and actually sent December 28, 1916, in cipher (German file No. J-924), forwarded a brief resume of the situation as of this date, which is identified as *Document 66-A*. This resume, after mentioning that the British Blacklist had the advantage to German interests of classifying the firms engaged in German business, enabling the managers of the German Marine Insurance Pool in America to get in touch with them and demonstrate how the English measures should be combatted, continues:

"The more we penetrated conditions, the more clearly did it appear that practically everything turned to the question of insurance. It was made possible to place shipping space at our disposal, in that the Wagner Line, of whose steamers were on the English Blacklist, was prepared to use their steamers in South American trade, to assume the provision of coal by taking the coal from here and by purchasing coal mines in the United States, provided that the ships can be insured against war and sea danger. Again, on the other hand, the shippers could secure the necessary credits if they had insurance on their goods. It was impossible to cover these insurances without the action of the Pool, because, as has been discussed in former reports, the English Insurance Companies did not dare either to insure or reinsure, and the capacity of the American insurance market was, because of the cessation of English reinsurance, entirely apart from the direct intimidation resulting from the association with England, extremely limited.

"The Pool was here established. The result is that we anticipate, if all goes well, that a steamer of the Wagner Line will in regular periods of fourteen days, ply between the North and South American ports, exclusively in the service of such firms as are on the Blacklist. The insurance risk will be substantially covered by the Pool, which, represented by an American Pool, will be in a position to issue American policies. The risk against danger at sea is normal, so that the business from a technical insurance view is to be considered a good one. The Pool can be responsible for the assuming of the war risk because we have succeeded in not only prevailing upon the American Government office to participate in the risk at its present limit of one million dollars, but also on the strength of the conditions to induce it to raise its limit to two million dollars. Under these circumstances, the remainder of the risk which the Pool assumes must be designated as thoroughly reasonable.

"I hope that the authority repeatedly taken by me under pressure of conditions to overstep the limit, has been subsequently fully approved. I will further repeat the urgent request to accomplish the expansion of the insurance body by founding the planned American company, and to give me, together with Mr. Herrmann, a thoroughly free hand. It would be a mistake if, in the hope of a near peace, the measure were postponed. A definite appearance of the German Insurance Companies in the form of joint participation I consider essential for the further extension of the German insurance business in the United States. After peace has again been restored, the operation accomplished through urge of war conditions, could easily revert into individual efforts, which would injure German prestige, and might be injurious to an immediate strengthening expansion of German business during peace negotiations and after peace had been restored. Considered from this viewpoint, I would further urgently recommend, to allow the raising

the Pool limit, suggested by me, if necessary through interesting other German insurance companies. I recognize the further extension of the German insurance business as a substantial factor for the regaining of the ground lost in overseas trade, because the covering of insurance does not remain the most important prerequisite for the execution of shipments, but that through the insurance through German companies quite naturally there would result a number of business connections for Germany, in overseas trade as well as in overseas finance."

Aside from the revelations of the conspiracy between Albert, Herrmann and their associates here, as disclosed by the foregoing documents, the facts are that Herrmann's associate, Orr, on or about July 26, 1917, made a published announcement "in view of misstatements which have appeared recently in the public press":

First: That on April 10, 1917, the partnership existing between F. Herrmann, O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and F. H. Osborn (being all the partners of F. Herrmann & Co.) was dissolved by mutual consent, all but Mr. Herrmann withdrawing. The five other than Mr. Herrmann formed the corporation of O. G. Orr & Co., Inc.

Second: That O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and F. H. Osborn are the sole and unconditional owners of all the stock of O. G. Orr & Co., Inc., and constitute all of the directors and officers of the corporation.

Third: That since that date O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and F. H. Osborn have had no connection, directly or indirectly, with F. Herrmann or with F. Herrmann & Co., nor has F. Herrmann or F. Herrmann & Co. had any connection with O. G. Orr & Co., Inc., in any way whatsoever.

Fourth: That at the time of the separation above mentioned O. G. Orr & Co., Inc., continued to occupy the offices formerly occupied by F. Herrmann & Co., under a transferred lease, and that they also engaged a large number of persons formerly employed by F. Herrmann & Co., among whom was one girl, the daughter of a naturalized citizen of the United States, who was born in Germany and had never been naturalized. At present there are in the office of O. G. Orr & Co. Inc., about 160 persons (including the officers and directors of the corporation) of whom three (and three only) were born in Germany, and of whom only one, the girl above mentioned, remains unnaturalized.

Fifth: That O. G. Orr & Co., Inc., had nothing whatever to do with locating the offices of the present firm of F. Herrmann & Co. in a building adjacent to the one in which their offices are located, and that no significance attaches thereto.

Sixth: That there are no German interests whatever in the Companies represented by O. G. Orr & Co., Inc., as stockholders or otherwise.

Seventh: That the only dealings O. G. Orr & Co., Inc., has had with F. Herrmann & Co. were excess reinsurances under an old treaty between one of the companies represented by O. G. Orr & Co., Inc., and one of the companies represented by F. Herrmann & Co., which reinsurance treaty was cancelled on July 13, 1917, by the terms of the President's Proclamation of that date and the necessary exchange of correspondence and remittances arising out of reinsurance transactions closed prior to April 10, 1917.

Eighth: That since July 13, 1917, there have been no dealings between the two offices except those absolutely necessary in closing old matters as described above and permitted by the President's Proclamation.

Ninth: That there exists no agreement or understanding of any nature as to any future dealings with the German Companies or with F. Herrmann & Co., or with F. Herrmann.

Meantime, and under date of February 29, 1916, there had been incorporated the American Merchant Marine Company, with a capital stock of \$200,000; and in August, 1917, it was announced that "stockholders had contributed" \$300,000 additional to surplus account.

* * * * *
Respectfully submitted.

CHAS. DEWOODY,
Division Superintendent.

ADDENDUM.

The following, which has not been incorporated into the foregoing report on account of its volume, is taken from what appears to be a comprehensive report prepared by Albert, probably for submission by Bernstorff, on various matters of interest to Germany in this country, Chapter VI of said report being devoted to a general review and discussion of the German Marine Insurance business in the United States:

" CHAPTER VI.—*Insurance.*

I.

" Shipment in war time is naturally attended with special dangers. These risks were covered in the belligerent countries by insurance. The first weeks of war brought a cessation of American trade. This cessation was to be eliminated by the formation of an American office for war insurance. For this purpose the Bureau of War Risk was founded on December 2, 1914, and endowed with a fund of Five Million Dollars. The Bureau undertook the insurance of ships that flew the American flag, against general war risk, capture, mines, etc., under the following conditions:

1. The ship should not break blockade.
2. It should carry no absolute contraband on board.
3. It should carry no conditional contraband that was destined for a hostile Government.

" Gold, fuel, leather, machines, etc., were regarded for example as absolute contraband. Conditional contraband comprises goods 'destined for the armed forces or a Government Department of a belligerent state, or are consigned to the authorities of a belligerent state, or to a contractor established in a belligerent country, who, as a matter of common knowledge, supplies articles of this kind to a belligerent state, or are consigned to a fortified place belonging to a belligerent, or another place serving as a base for the armed forces of a belligerent.'

" The insurance at normal rates extended to all ports, with the exception of the North Sea ports lying between Christiania and Rotterdam, the ports of the Cattegat and of the Baltic Sea, of the Bosphorus and of the Black Sea. To these ports insurance was made only at special rates. The insurance was arranged for the ship as well as for the cargo. The insurance for the cargo ran for the duration of the voyage, that for the ship for the duration of the voyage or for a term not exceeding thirty days. The freight insurance rates were for voyages in the Western and Northern hemisphere one-half per cent; Europe south of Havre and west of Sicily one per cent, other ports one and one-half per cent, in the other European West one per cent, for other ports one and a half per cent, for ships in the neutral West one-half per cent, in the neutral Western Hemisphere for ninety days one per cent, otherwise two per cent. Insurance rates to Germany were not published. On account of the exceptional hazard in voyage, these were only determined on special inquiry. The State (Treasury) Department was free to decline such risks.

" The war insurance was arranged only after the usual marine insurance was already effected. These provisions were of little use for the trade with Germany or the ports of the German spheres of interests, especially as the Bureau of War Risk proceeded in a rather apprehensive way. When England permitted the cotton shipments to Germany, they could not at first take place. The Bureau of War Risk 'is willing to write the war risk for American steamers, but only to a limited amount, which is insufficient to cover hull and cargo, and in spite of State Department announcements the risk is at present uncoverable with the writers,' according to a statement in the Chronicle November 4, 1914. Through the pressure of the cotton interests the insurance meantime became available, especially as the Bureau raised the maximum amount from \$500,000 to \$1,000,000. Up to December 1, 1915, 1,250 policies were issued. The total insurance sum amounted to about \$80,000,000 for ship and cargo. The premiums received amounted to about \$2,000,000. The loss amounted to \$720,356, including that of the lost steamer 'Evelyn' which sank with cargo, as well as of the steamer 'Greenbrier,' which, after delivery of its cargo, sank on its second voyage. These mishaps led to a temporary suspension of insurance to the belligerent ports and the war zone. From this standpoint, the Bureau of War Risk was no longer available for direct shipment to Germany. Of the policies issued, 1,000 were issued before March 1st. When

England made cotton contraband, the Bureau could no longer insure its provisions for cotton shipments. America again let an opportunity escape to put through its conception of law in a practical case. A part of the ships in question was moreover neutral property. The neutral governments were ready to provide the war insurance for their ships, provided that the cargo was intended for them. For shipments to Germany they would not act. Attempts were therefore made, in the interests of cotton people, to induce the American Government to assume a war insurance even for other neutral steamers. These attempts failed. Later the war insurance, since neither the American nor any other neutral government was available, had to be undertaken by private insurance companies.

II.

"The war insurance could only be effectuated if a private marine insurance was first arranged.

A. The difficulties in private insurance were very great. Two-thirds of the marine insurance had always been covered by English companies. Almost all of the reinsurance lay in English hands. In all shipments that were in any way suspected, the marine insurance was refused. In the case of the steamer 'Eir' for example, as a result of English pressure, even the dock insurance was refused. Without marine insurance, bank credit was not to be had, and without bank credit every shipment was suspected from the very first. Through the refusal of marine insurance, for example, the ships of the Wagner Line became useless for the purposes of the office.

"The insurance companies demanded an affidavit that the goods were not intended for belligerent countries. The insurance was not valid if a condemnation in the prize court took place. At the beginning of October the rates of private insurance were 3-10 per cent. For the time the English companies were pledged to insure only English ships with cargo for England. That was later changed. The policies, however, contained the clause 'free of seizure by the Allies.' Destination to Germany was expressly excluded. A great difficulty thereby arose.

(a) The existing American companies were too weak. The thought, therefore, arose of having the office assume the war risk. The office requested one million dollars in order to be able to furnish the necessary guarantees.

(b) A number of German companies were represented in New York.

"Of these the Mannheimer and Nord-Deutsche Insurance Companies were represented by the firm F. Herrmann & Co., New York. There therefore arose the possibility of getting them to cooperate from the beginning. For the other companies, such as the Preussische Insurance Company and the Alliance, Berlin, that was not feasible. In these cases the representatives were Englishmen or closely affiliated with English interests.

"None of the German companies were strong enough to undertake large risks. According to American law, the assets with which they were to fulfill their obligations had to lie in America. In no case were these sums sufficient. Furthermore, they had received instructions from home to assume only smaller risks. In addition, there was a further difficulty: the question of reinsurance. The real reinsurance business lay in English hands. A reinsurance in Germany was only possible if the companies undertaking the risk here were authorized (Muenchner?). The Mannheimer and Nord-Deutsche Insurance Companies formed, at the suggestion of the office, a Pool, founded in Germany (see D). The Preussische and the Alliance held aloof. This coalition facilitated the assumption of risks. There however still arose difficulties as to the assumption of the hull insurance.

B. For the office there was a double task to perform:

1. The Marine Insurance.

2. It had to gradually take up war insurance. That was necessary:

(a) If the shipment took place on non-American ships, so that the American Government could not undertake the war insurance;

(b) If contraband were involved, or if for any reason assumption of the war insurance by the American Government seemed undesirable.

"The office now proceeded in the following manner:

(a) In isolated cases in the beginning it guaranteed the insurance to the insurance companies. In this case the office required a payment of a commission of $\frac{1}{2}$ per cent by the shippers. That took place, for example, in the wool shipment on the steamer 'Luckenbach.'

(b) Assistance of the German companies. In the case of the shipment on the 'Eir' for example, the war and marine insurance were to be covered.

Only German companies were considered. The risk was, however, too great for them. It was a long time before the local representatives received authorization to undertake it. When it eventually arrived, their means were not sufficient. The office therefore deposited \$525,000 in Treasury Notes, which were delivered to the firm F. Herrmann & Co.

C. The insurance problem went through the following stages:

"At the beginning there was involved only the making of shipments of goods that were on the free list, direct or indirect to Germany. Then it was a question of insuring conditional contraband that was to go to Germany via neutral countries. This involved partly shipments of the office, partly those of private firms. Then the question arose whether it would not be expedient to undertake the insurance of shipments to neutral countries, even if forwarding to Germany was not intended. The purpose was to produce an expansion of the German insurance sphere and a damaging of England, and to facilitate the provisioning of neutral countries, which would be thereby placed in position to exchange other goods with Germany. The English insurance companies were directed to insure as little as possible to these countries. The fourth stage was reached when there was involved the maintenance of the activity of the German companies and their protection. A fifth point was to enable the firms that were on the English blacklist to continue their business.

D. On the outbreak of the war the Deutsche Insurance Company of 1914 was organized in Germany, in which all German insurance companies participated. The purpose of this undertaking was division of the risks and assumption of reinsurances. As far as the business of the office was concerned, the German Insurance Company of 1914 sufficed only incompletely for the task. The reinsurance of large risks which the American Pool had assumed, prorata among the participants, was not always possible, partly on account of lack of compliance, partly because the company of 1914 was not recognized in the United States and therefore the reinsurance with it signified no safeguard. (Has Herrmann made use of it?)

"The practical solution of the difficulty, therefore, took place in the following manner:

"The Mannheimer and the Nord-Deutsche were permitted to assume greater risks. In order to make that possible the office deposited \$500,000 at the Chase National Bank for the Mannheimer Co. and \$500,000 at the Mechanics & Metals National Bank for the Nord-Deutsche Co. That was done in the form of 5% Treasury Notes, which mature on December 31, 1916 (September 1, 1918). They were then to be renewed. On the basis of these Treasury Notes a credit of \$500,000 was arranged for each Company against its acceptances. The costs varied with the discount rate—maximum 5%—together with a commission of one per cent. In order to proceed with absolute caution, a final credit of \$500,000 was placed at the disposal of the firm F. Herrmann & Co., at a third bank, in case of greater losses, so that in case greater losses suddenly occurred it would have the necessary means available. That was done because the insurance commissioner had called attention to the fact that under some circumstances the Treasury Notes could not be immediately liquidated. The coming premiums were to be applied to covering the advance, as the deposit was considered as only a temporary measure. The companies in Germany were not satisfied with these arrangements. They protested against the commission of one per cent. They falsely assumed that the commission was to be two per cent. They claimed that the business was bad and reinsurance impossible. The liability was very great and the costs, above all the costs of telegrams, were very considerable. They attacked the temporary character of the support and demanded support for the duration of the war. Repayment of the premiums was impossible, as the premiums had to be held at the disposal of the reinsurers. These objections rested in part on misunderstandings, as the business went very well. From July 15, 1915, to January 31, 1916, premiums for marine insurance in the amount of \$116,488 had been paid, for war insurance \$186,080, altogether \$302,568. A loss of \$48,500 had occurred. Seventy-five per cent in this case was covered by the sale of the goods. The result was a net profit of \$275,000.

E. Through the entire development the insurance became more and more independent of the insurance in Germany (?). Its purpose was now:

(a) Shipments to neutral countries in the war zone, in order to break England's insurance monopoly.

(b) Protection of the German firms operating abroad, which England attempted to oppose, partly by denial of insurance.

(c) Construction and protection of the German insurance business.

"On the basis of these thoughts it had been possible to establish a Pool of the German insurance companies. The firm of F. Herrmann & Co., which until then had been merely representative of both of the above named companies, was now made representative of the German Insurance Company forming the Pool. For this purpose the Pool had to be appropriately enlarged. It, however, appeared that even in this form the organization was not yet sufficient. There arose the necessity of establishing an American insurance company controlled by German interests. As things now stand, there is a certain hostility toward German policies, which is naturally fostered by England. It is, however, clear that after the danger of war developments between Germany and the United States once comes into consideration, the disinclination as to foreign policies is certainly not unfounded. The firm F. Herrmann & Co. has often experienced this itself. It has had many policies effectuated through the Fireman's Fund and limited itself in part to reinsurances. The Fireman's Fund is strictly a fire insurance company. There is no guaranty that some day the company will not announce its relationship to Herrmann & Co. and that the business brought to it by German intelligence and German capital will not be retained by it. After the war, it will be neither desirable nor available for the reconstruction of the German economic life with the help of English companies. There is, therefore, the necessity of making suitable arrangements, especially as it has appeared that boycott efforts, blacklist, etc., where insurance is lacking, can be introduced with great results."

Capt. LESTER. Is there any evidence in the statements of Herrmann or Orr of the excessive underwritings or excessive insurance of marine risks?

Mr. BIELASKI. Yes. There is in this correspondence, in the part which I did not read, evidence that they considered that they were skating on thin ice, and that they were apprehensive of what the State insurance commissioner of New York might do, and that Albert and Borgemeister were also concerned about that proposition; and they did make some efforts to get additional capital.

There are some things in this report as to which I have some doubt whether they should be published, but I am going to leave the entire thing with the committee. You can see that there are certain statements in there, possibly, that are not particularly relevant to this situation, that ought not to be made public in full. Statements of some of the men examined relate to other matters than this particular thing. They covered a number of subjects during the examination of some of these men.

There are one or two little things which I ran across that I thought perhaps the committee might be interested in, relating to propaganda which I did not bring to your attention when I was here. They are just small matters, but one of the members of the committee expressed some interest particularly in the Mexican situation.

In looking over our files again I found a copy of a communication from the embassy in Washington dated November 6, 1915, addressed to Albert.

Maj. HUMES. That is the German Embassy in Washington that you are referring to?

Mr. BIELASKI. Yes; of which this is a translation:

On delivery of a paraphrase of the following telegram of the Imperial Ambassador in Mexico of September 11, this year, I begged your highness for a statement:

"Are means to a modest amount, to be had for the embassy, here for the purpose of defense against French anti-German press agitation?"

I would recognize a belated statement with thanks.

Under order of the Imperial Ambassador

HATZFELDT.

That is Prince Hatzfeldt, of the embassy.

Under date of New York, November 18, 1915, replying to this letter of November 6, Albert said—his is addressed to the ambassador:

I have the honor to reply to the very esteemed letter of your excellency, indicated above, that the copy of the telegram in question is not in my possession.

In regard to the point I very respectfully observe that, strictly speaking, the use of the means standing at our disposal for press propaganda here for purposes lying outside the United States, would hardly be permissible. With regard, however, to the fact that in communications from Berlin it has been suggested several times that the literature of enlightenment published on our side be sent to Latin America also, a certain joint working up of the lands in question by the press bureau is accordingly to be expected: I believe I am justified in assuming that a provision of \$5,000 for the ambassador of the Imperial Government in Mexico can be undertaken.

On the other hand, in view of the existing suspicion that the German officials were guilty of secret activities in Mexico, and in view of the circumstances that bank transactions emanating from me are strictly watched, the transmittance of the money by me seems somewhat objectionable.

I take the liberty, therefore, respectfully to suggest that you be willing to have the transmittance in question made, so far as there is no objection to it on your part, out of the means standing at the disposal of the imperial embassy. The sum in question could then, as opportunity offered, be refunded from the funds standing at my disposal.

Here is a copy of a paraphrase of a telegram from Berlin, which says:

Copy for privy councillor.

ALBERT.

Paraphrase of a telegram from Berlin of the 2d of May this year.

Senator WOLCOTT. What do you mean by "paraphrase of a telegram"?

Mr. BIELASKI. It means the stating of the substance of a telegram in slightly different language from that in which it was received. It is a common practice of all of the Government departments when they receive a cipher message, instead of giving out the exact translation, which might serve as an indication to people interested as to just what their code means, to make what they call a paraphrase of it, so that a comparison between the exact words given out with the code message will not betray the code.

I continue to read:

Prompted by the case Igel, I request your excellency to destroy the compromising papers to be found in the embassy and in New York.

I request notification in regard to the fulfillment of the foregoing direction.

VON JAGOW.

That is just interesting as showing that they knew in Berlin exactly the activities of their representatives over here which might be called compromising, and that after von Igel was arrested and a number of his documents secured they suggested the destruction of all compromising papers.

Senator STERLING. To whom is that addressed?

Mr. BIELASKI. This is the paraphrase of a telegram from Berlin sent up to Albert from the embassy here, so that it is assumed that the original telegram was addressed to the ambassador.

I also found a copy—translation—of a communication from the embassy from Reisswitz, the acting consul of Germany at Chicago.

which shows another instance of their contemplating the purchase of an American newspaper. I think it is proper to say that so far as we know the newspaper knew nothing about it, and that nothing was done about, or nothing came about in regard to it, in order that it might not be assumed that this particular newspaper had any relations with the German Government. This is dated October 23.

Senator OVERMAN. Senator King suggests that you might leave the newspaper itself out if there is no indication that it was followed up.

Mr. BIELASKI. Suppose I hand this to you and let you look at it, because the reading of this would convey to people familiar with the newspaper business the name of the paper. It does not reflect on the paper at all. It simply shows the activity of the Germans.

Senator OVERMAN. With the statement that it does not reflect upon the newspaper, it might be proper.

Senator KING. The only point I had in mind was this, that if the name of an individual or a newspaper is mentioned as having been in the minds of the German representatives to acquire or to secure the services of, some people immediately jump to the conclusion that that paper was purchasable by the Germans or amenable to their influence.

Mr. BIELASKI. Suppose I submit it without reading it.

Senator KING. Hand the letter to the chairman. I think that would be better. We do not want to do any injustice to any newspaper or to any individual.

Mr. BIELASKI. The substance of this letter is that the consul, writing to the German ambassador, states that he has understood that there is an opportunity, because of certain differences among certain persons interested in a large Chicago daily newspaper, for them to obtain it without the newspaper knowing anything about their effort, and he suggests that it can be obtained for about \$500,000 or \$600,000, and he outlines some ideas by which he thinks the paper might be obtained.

Senator STERLING. The letter, on its face, indicates that the newspaper would not know who the purchaser would be?

Mr. BIELASKI. Yes. I am going to hand the translation of the letter to the committee. It seems to me that it clearly indicates that it was to be a secret effort on the part of the consul to get control of the paper. I simply cited it as another instance of the constant effort of the German officials to get newspapers.

Senator OVERMAN. Have you anything else to say, Mr. Bielaski?

Mr. BIELASKI. No; I have nothing else, unless the committee has some questions to ask.

Maj. HUMES. I have some questions to ask. Are you going to put that paper in the record?

Senator OVERMAN. No; it will not be put in. You just keep it in your files, Major.

Maj. HUMES. Mr. Bielaski, in checking over the testimony that you gave when you were before the committee before, there have been several matters called to my attention that I think perhaps have not been covered as fully as they should be. One of them is the Pan German Union. You are familiar with that organization, are you?

Mr. BIELASKI. I do not know that I am, offhand.

Maj. HUMES. Dr. De Grosse's organization?

Mr. BIELASKI. I do not recall exactly what it was. I have no doubt we have a file about it.

Maj. HUMES. I left a memorandum of this down at your office.

Mr. BIELASKI. Well, I did not get it.

Maj. HUMES. And Hugo Schweitzer was active in it, I will say, if that will refresh your recollection in any way.

Mr. BIELASKI. No; I do not recall that organization, offhand—just what it was. I can undoubtedly get our file and give you what it was.

Maj. HUMES. Are you familiar with the Kriegsbund?

Mr. BIELASKI. Oh, yes; in a general way, of course. That was a German organization, and membership in it depended upon service in the German Army.

Maj. HUMES. What was the nature of the organization, and what was the extent of it in this country?

Mr. BIELASKI. It was a semimilitary sort of a social organization that was intended to perpetuate the German ideals and to further German interests in a general way, and also to form a sort of a social organization of men of common tendencies. It was such an organization that, when it seemed likely to us that we were going to get into the war, we had our agents, in every city in which there was such an organization, list the officers and active members of it, for possible future use, as we did every organization of a similar character.

Senator OVERMAN. Was this organization prior to the war?

Mr. BIELASKI. Yes.

Senator OVERMAN. It was in this country before the war?

Mr. BIELASKI. Yes.

Senator WOLCOTT. Before the European war?

Mr. BIELASKI. Oh, yes, sir; it was like a great many of the German associations.

Senator KING. It was like the National German-American Alliance?

Mr. BIELASKI. It might be, in a sense, a little like a German G. A. R. over here. We had a little trouble with them after we got into the war, because they retained possession of rifles, in a few instances, that they had used to drill with.

Senator OVERMAN. I did not catch the name of that organization.

Mr. BIELASKI. The Kriegsbund, I think it was. I do not know much about German. It never developed any serious situation.

Maj. HUMES. Are you familiar with any of the activities of this organization in connection with proposed military operations against Canada?

Mr. BIELASKI. Yes; in this way, that the Germans hoped to make use of that organization in some of their plans that they had from time to time for the invasion of Canada, and I think that during the period of neutrality certain of these organizations were engaged in actual drilling.

Maj. HUMES. To refresh your recollection—this is not from your files, but it is Department of Justice data, and it may refresh your recollection—I will hand you this paper.

Mr. BIELASKI (examining paper). This information is a report of one of our agents, but his informant here is a very unreliable man. I do not know just what there is to this.

Maj. HUMES. There are several reports there.

Mr. BIELASKI. This is the organization of it. Yes; our files contain a detailed statement not only of the membership of the organization, but of each one of these "bunds" in the different parts of the country.

Maj. HUMES. Can you furnish a memorandum as to the size and location of these organizations and the size of each one?

Mr. BIELASKI. Yes; you can have our files, which contain that.

Senator OVERMAN. Is it pretty extensive?

Mr. BIELASKI. It was fairly extensive. I do not know just how many organizations they had, but in most of the larger cities they had an organization.

The Germans did have several plans for invading Canada. It never amounted to anything of a serious character, because they could not get the individuals that they wanted to participate in it.

Senator KING. Did they drill?

Mr. BIELASKI. Oh, yes.

Senator KING. In this country?

Mr. BIELASKI. Yes, indeed.

Maj. HUMES. They had rifles, too?

Mr. BIELASKI. They had rifles and they drilled and paraded and all that sort of thing. It was a wholly harmless proposition so far as this country was concerned, up until the European war; and as I say, nothing of a serious character developed in connection with it at any time.

Senator OVERMAN. While you say it was harmless, were not these men united together in the German interests, even before the war?

Mr. BIELASKI. Yes; I do not mean to say that it was harmless, possibly, in its influence, and in their efforts to perpetuate over here things German.

Senator OVERMAN. Yes.

Mr. BIELASKI. I do not think it is a thing we would approve of; but I mean that it was not a serious menace to the Government from the standpoint of anything that they did. We simply kept a watch on them, because they were a German organization of a decidedly military character, and made up of men who had been in actual service in the German Army.

Senator KING. Did it include persons who were born in this country of German ancestry?

Mr. BIELASKI. I doubt that.

Senator KING. Did they permit those persons to join?

Mr. BIELASKI. I do not know if there was any class of membership of that kind or not.

Senator KING. Do you know whether or not persons who had taken out or had obtained their naturalization papers still continued their membership in this organization, and drilled?

Mr. BIELASKI. I think undoubtedly so. Not only did they do that, but men who had taken out naturalization papers in some instances even reported to the German consulates here, in the same way that alien Germans did who had never taken out any papers at all. Under their dual citizenship scheme, I think it is possible for a German who has been fully naturalized in this country to claim citizenship in Germany until he has been absent, I think, something like 10 years.

Senator KING. That is under the Delbrück law?

Mr. BIELASKI. Yes. There are on file in our department, and even in the Library of Congress, extensive discussions of that law from the German standpoint, and even from the American standpoint.

Senator KING. While it is not germane, I was wondering whether the Department of Justice was initiating suits for the purpose of revoking and cancelling the naturalization papers of some of these individuals, who, during the war, have been exhibiting a lack of patriotism.

Mr. BIELASKI. There have been some of those suits instituted, but I do not think more than two or three of those suits have been carried through to a successful conclusion; one in a western district, and one in New Jersey; and possibly there are some others.

Senator KING. I express the hope that they will bring proceedings to revoke or cancel the naturalization papers of such persons as have evinced no allegiance to or interest in this country, but have demonstrated that their higher allegiance was to a foreign country, and in Deutschland.

Mr. O'BRIAN. I might state to you on that, Senator, that the Attorney General some time since—many months ago—sent to all United States attorneys instructions to report to him immediately upon finding any such persons or facts, so that steps might be taken to cancel their naturalization; and there are pending throughout the country a considerable number of suits for that purpose. There are standing instructions to the agents of the Department of Justice.

Senator KING. It is my information that in the internment camps are some naturalized Americans.

Mr. O'BRIAN. I think not. There is no authority to intern naturalized Americans. There are several there that claim to be naturalized Americans.

Senator KING. I have been informed that there were some naturalized Americans interned. I hope that there will be some provisions adopted for the deportation of dangerous alien enemies.

Mr. O'BRIAN. It is hoped that the Congress may provide some authority of law for that. That ought to be adopted at as early a date as possible. That is the view of the Attorney General.

Mr. BIELASKI. In order to keep that question out of future cases, it was suggested to the Naturalization Service, or the Department of Labor, that when Germans come up for naturalization hereafter, that question of dual citizenship be inquired into and that be made clear before any individual is naturalized.

Senator STERLING. Do you not think that the naturalization law ought to be amended so as to require them to make an affidavit or to take an oath to the fact that they have not taken advantage of the Delbrück law and retained the privilege of being citizens of Germany?

Mr. BIELASKI. Yes; if any legislation is required to do that, I think so. I think that the Naturalization Bureau ought to do that without waiting for legislation, if it is possible for them to do it.

Senator STERLING. Do you not think that an amendment of the law should be made so as to require that the oath made on the declaration of intention should include an oath of that kind, as well as the statement when he gets his final papers?

Mr. BIELASKI. Yes.

Senator WOLCOTT. I would not, myself, place any more dependence upon the oath of a man declaring his intention than when taking out his final papers.

Senator STERLING. No; but at the same time he would be rendering himself liable to prosecution for perjury, if it ever comes out.

Mr. BIELASKI. Mr. O'Brien tells me that in answer to our letter to the naturalization authorities they have replied and have told us that they intend to make and are now making such a requirement in the examination of Germans at the present time.

Senator KING. May I make an inquiry? Have you anything in your files showing the extent to which German-Americans, that is, Germans who have sought naturalization, availed themselves of the Delbrück law in this country, and went before the German consuls and registered as Germans?

Mr. BIELASKI. No; I do not think we have anything in any comprehensive way. We have just a few isolated instances.

Maj. HUMES. Mr. Bielaski, there were in this country a good many so-called German shooting clubs?

Mr. BIELASKI. Rifle clubs.

Maj. HUMES. Yes; rifle clubs. Were they a part of this *Kreigsbund*?

Mr. BIELASKI. I do not know about the *Kreigsbund*. Yes, they did shooting, but there were other German shooting clubs, also, I think. As I said, I think it was in 1916 we made a survey of the general situation with respect to the general German situation here, taking in the rifle clubs and even the singing clubs, the *Schlaraffia*, and others.

Maj. HUMES. What is the extent of that organization? What is the nature of it?

Mr. BIELASKI. The *Schlaraffia* is an organization which the members state is intended to be entirely a semihumorous or jocular affair. It is the organization they resort to for an unrestricted, jolly, good time. I do not mean to say that every member of it should be characterized as I am characterizing it generally. The principal members in every instance, however, we found to be the bitterest pro-Germans, and the alien Germans were also members. Here, I think that Dr. Barthelme was an active member of the local organization. We had one or two of our agents who were members of the local organization and secured the data as to membership.

Senator OVERMAN. Are any of these societies secret?

Mr. BIELASKI. Yes; some are secret organizations. There are oaths, and so on. We never could find that the *Schlaraffia* was engaged in anything whatever against the United States, except that it was an organization of the bitterest of the pro-Germans, the most intelligent of their agitators or propagandists here were members, and it formed an excellent opportunity for them to discuss anything they wanted to.

Maj. HUMES. It was the bringing together of German sympathizers, in other words, in the shape of this organization?

Capt. LESTER. Did you find out that, as a part of their ritual, they travestied the royalty of Germany?

Mr. BIELASKI. Well, they had a ritual which was more or less of a farcical scheme. The men had different names and other things.

But I did not ever understand that that was a travesty of the German Government, because it would be entirely out of sympathy with the real sentiment of the principal members and leading people in the organization. I think most of those men would have resented nothing more than a travesty on their Kaiser.

Maj. HUMES. This was an organization which had its start in Germany and had its organizations outside of Germany?

Mr. BIELASKI. Yes.

Maj. HUMES. And the military officers and officials in Germany were the active members of the organization in the native land?

Mr. BIELASKI. Yes; but over here native citizens of German descent were members also.

Maj. HUMES. This was an extension of a purely German organization?

Mr. BIELASKI. Yes; and I would say that it was one of the most suspicious organizations, in keeping up interest in what it might be doing, of any of their organizations here.

Maj. HUMES. Did you make a survey to ascertain about how many members this organization had, for instance?

Mr. BIELASKI. Yes. I do not know how complete our files are, but I recollect reading a list of their members. I know that the list of the organization here is entirely complete. I think there is a list of the officers and principal members of every one of the Schlaraffias in this country.

Maj. HUMES. I did not care for the names, but just the extent of the membership. That can be secured?

Mr. BIELASKI. That is in the files; yes, sir.

Maj. HUMES. Was your attention called at any time, or had you any information as to an organized effort to investigate thoroughly every officer in the Army of the United States by the Germans?

Mr. BIELASKI. Yes. I do not recall just where I had that in the files, but in two places—I think in Von Igel's office, if I am not mistaken—there is some record of a plan to look up every officer of German descent or German birth, and so on.

Maj. HUMES. When was that, with reference to the time we got into the war?

Mr. BIELASKI. That was just before.

Maj. HUMES. That was before we were in the war at all, they were investigating the standing and character and nationality and loyalty, etc., of officers in the American Army?

Mr. BIELASKI. Yes.

Maj. HUMES. What information have you as to the registration of the Germans and Austrians at the consulates, the so-called consular lists, and the extent to which that registration went?

Mr. BIELASKI. Of course, I am not prepared to state in any definite way. You understand, I am answering all your questions from my recollection of files that I have not seen in many months.

Maj. HUMES. What I am trying to get at is this: I want to get an idea of these matters that your files, I assume, cover, with a view of securing from you a summary of the extent and size of these various organizations, in order that the record may be completed as to them.

Mr. BIELASKI. As to the matter of registration, of course it was the effort of the consulates and embassy here to have every man registered

at the consulate and to keep advised of his address, and some of the consulates were particularly active and efficient in getting a list of everybody in their territory and keeping advised of the addresses.

Senator OVERMAN. You mean naturalized and unnaturalized?

Mr. BIELASKI. No; primarily nationals of the German and Austrian Governments; but in some instances, as I have said, many who had naturalized did so report. I remember in Pennsylvania that one of the consular officers whose records were for a time placed at our disposal, had a very complete card index numbering some thousands of names. I think it was the St. Louis consul of the German Government who was also very active and efficient in getting everybody in his territory listed; and that was the general plan.

Maj. HUMES. Can you give an estimate as to about how many there were on these consular lists over the country?

Mr. BIELASKI. No; I could not, Major. I will say this: That I do not believe that the aliens here, the Germans and the Austro-Hungarians, complied with that requirement to anything like the degree that the officials here wanted; but the proportion of men who did not register—who were within the category that should, under the German law and under the Austrian law, register, who did not register—was very much larger than those that did.

Maj. HUMES. Can you make any estimate, from your knowledge of the numbers that registered in various districts, as to the probable number of registrations? Would it be 1,000 or 100,000, just approximately, from your general knowledge of the situation?

Mr. BIELASKI. I do not know, Major. There were about how many German consulates here? There were eight or nine, were there not?

Capt. LESTER. There were 14, altogether.

Mr. BIELASKI. Fourteen. Some of them were large. I would not know, but I should not think that there would be so many thousands. There were 14 consuls. Of course, how many registered in New York City I have not any idea. There are partial records of those that did. It would simply be a guess on my part. It has been testified by Capt. Lester that there were about 1,200 in Boston, and the New York consulate was very much larger. I should not estimate much more than 25. I do not know how many.

Maj. HUMES. I call your attention to this to refresh your recollection and see if we can not arrive at a reasonable estimate. Mr recollection is that there were some 250,000 to 260,000 alien Germans who registered.

Mr. BIELASKI. Yes.

Maj. HUMES. Of course that did not include the Austrian aliens, and I assume that the Department of Justice made an estimate as to the probable number of Austrian alien enemies in this country. Do you feel at liberty to state what the Department of Justice's estimate was as to the probable number of Austrian alien enemies?

Mr. BIELASKI. We had that very definitely. We have those estimates over there.

Maj. HUMES. I think before that you stated that these figures on the registration of German registrants showed that we have 254,058?

Mr. BIELASKI. Men.

Maj. HUMES. Yes. Now, there were more Austrians than that, I assume?

Mr. BIELASKI. Quite a large number more.

Maj. HUMES. There were a larger number of Austrians than Germans?

Mr. BIELASKI. Roughly estimated, about three times as many: something over 700,000. I think that is our estimate. I should think that 10 per cent of the Germans registered at the consulates.

Maj. HUMES. All the Germans or all the alien enemies?

Mr. BIELASKI. All the Germans.

Maj. HUMES. What percentage of the Austrians?

Mr. BIELASKI. I do not know what percentage of the Austrians, but I think probably a greater number registered because the Austrian consulates were all so particularly active in collecting claims for injuries and all that sort of thing for the Austrians, where the Germans were not.

Maj. HUMES. They were also very much more active along industrial lines?

Mr. BIELASKI. Very much more so.

Senator OVERMAN. Have you any estimate of how many there were, all told, of Austrians and Germans?

Mr. BIELASKI. All told?

Maj. HUMES. Yes.

Mr. BIELASKI. We just estimated the alien Austrians at about 700,000 or 750,000.

Maj. HUMES. And 250,000 Germans?

Mr. BIELASKI. A million, all told. That does not include women and children, which would be multiplied by, say, 3 or 4.

Maj. HUMES. That only includes men over 18 years of age?

Senator OVERMAN. My statement on the floor of the Senate that there were 200,000 spies in this country was about true. I was criticized for that.

Maj. HUMES. Are you familiar with the Geneva Society?

Mr. BIELASKI. Yes, sir.

Maj. HUMES. What was that, and what were their activities?

Mr. BIELASKI. The Geneva Society was a society of waiters, a European society, which grew, and was extended and organized in this country. It was regarded, I think, by the allied governments as a spy organization in Europe, and there was considerable suggestion that it might be over here. Personally, I am satisfied that as an organization it was not, and that there were in it too many of unquestioned loyalty and patriotism.

Maj. HUMES. It is a fact, however, is it not, that in many quarters its headquarters furnished a rendezvous for disloyal elements?

Mr. BIELASKI. A sort of recruiting station, from which persons might have been secured for activities for Germany, and I think it was probably so used to a considerable extent in Europe, from the reports I have read.

Maj. HUMES. What class of people did this organization include—what business?

Mr. BIELASKI. Waiters.

Maj. HUMES. Is it not a fact that the active spirits of the organization were usually head waiters in the big hotels in the various cities of the country?

Mr. BIELASKI. And also that they were of Austrian and German extraction in very large proportion.

Maj. HUMES. This was, as I understand it, originally a German organization, and then afterwards they called it the Geneva Society, and it became an international organization.

Mr. BIELASKI. My recollection was a little bit the other way, though I can not be positive about it. It seemed to me it was first organized as a Geneva organization, and the Germans came in and took possession of it.

Maj. HUMES. It became a German organization, at any rate?

Mr. BIELASKI. Yes.

Maj. HUMES. Mr. Bielaski, you mentioned this morning, in a way, Stallforth & Co. and their banking connections. What were the activities of Stallforth & Co. in Mexico, and as between this country and Mexico, especially as connected with the Tampico oil fields?

Mr. BIELASKI. I do not know that I know anything about that matter particularly. Stallforth & Co.—Stallforth Bros.—had to get out of Mexico, and came up here.

Maj. HUMES. One of the Stallforths is interned.

Mr. BIELASKI. Frederico is interned, and Alberto, I think, is in New York. They had, of course, Mexican interests which are presumably now controlled by an American, whose name is—Robinson is his last name.

Capt. LESTER. Col. Robinson?

Mr. BIELASKI. Yes. He is connected with the firm of Stallforth & Co. now, and they have Mexican interests primarily. Of course, Frederico Stallforth, I think I testified somewhat about, was intimately acquainted with Rintelen. He was probably Rintelen's man, intimately associated here, and through him money was furnished for different things by Albert. Some of the money in this German publication society passed through his hands, and there was a record of some \$30,000 advanced to Stallforth at one time, and at one time a million dollars was placed at his disposal by Albert for about a day or two, but was withdrawn and paid back, a scheme which did not mature at all.

Maj. HUMES. Are you familiar with the organization, the Sons of Hermann?

Mr. BIELASKI. In a general way; yes. We had quite a large file about that.

Maj. HUMES. What was the nature of that organization, and what were their activities?

Mr. BIELASKI. The Sons of Hermann was a German organization, a pro-German organization. It is my recollection that their headquarters were in Chicago. I am not absolutely sure about it.

Maj. HUMES. Did their activities extend through the whole country?

Mr. BIELASKI. I do not know that they extended over the whole country, but over various parts of the country.

Maj. HUMES. In spots?

Mr. BIELASKI. They were another one of these organizations which required observation to make sure that there was nothing wrong.

Senator OVERMAN. Do you know how many German organizations there were in this country?

Mr. BIELASKI. There were a great many. I do not know.

Senator OVERMAN. A great many?

Mr. BIELASKI. Yes. The reference books in the library showing German societies show page after page of them. I do not know how many there were.

Senator OVERMAN. Most of them were loyal to Germany. I suppose, and many went back?

Mr. BIELASKI. I do not think that is a fair statement, Senator. I think the German-Americans in this country were, to a very high degree, loyal to this country, and that the alien Germans here were exceptionally well behaved, and only in a limited degree, indeed, did things antagonistic to this country. Of course, the activities of those who were disloyal, however, received attention, but the great body of the German-American people were loyal to the United States and served it faithfully. I think that the great body of the alien Germans here behaved themselves and obeyed our laws to a very commendable degree.

Maj. HUMES. You are referring now to the time after we got into the war? Their activities were very pronounced for the Fatherland up to the time we got into the war?

Mr. BIELASKI. There is no question about their sympathy with Germany so long as it was a question between Germany and England and France, but I think it is remarkable, really, the extent to which the German-American people were loyal to this country.

Senator OVERMAN. After the war?

Mr. BIELASKI. After we entered the war.

Maj. HUMES. Of this million, approximately, male alien enemies, is it not a fact that the vast majority of those alien enemies were very active in behalf of Germany, and were aiding in every way the German cause up to the time we got into the war?

Mr. BIELASKI. I do not think that is a fair statement, either, Major. There was nothing more disappointing to the German Government and to the Austro-Hungarian Government than the failure of their people here to respond to their demands. You see all through the files where they wanted these societies which were pro-German, the Embargo Conference, and things of that kind; where they say the Germans ought to be more loyal, and provide money themselves, and so on; but that the German Government itself had to put up money, and they were not able to get the people to respond in the way they wanted them to, by any means.

Maj. HUMES. And they were counting at that time on 20,000,000 sympathizers in this country. That was the claim of the German Government, was it not, that they had something like 20,000,000 German sympathizers in this country?

Mr. BIELASKI. They made that claim, but I think they were badly informed about that, as in other things.

Maj. HUMES. You mean the enemy aliens as well?

Mr. BIELASKI. I think that the greater percentage of the enemy aliens in this country did not concern themselves at all with the affair. They went on living their lives here just about the same way they did before the war was declared, except, of course, that their sympathies were with the fatherland, just the same way as American citizens sympathized with one side or the other. I do not think they were active.

Maj. HUMES. Is it not a fact that you were—and when I say “you” I mean the Government agencies—because of your knowledge

of German activities and German sympathies prior to our entrance into the war, expecting many more activities on the part of these Germans after the war started than actually materialized, and were you not agreeably surprised?

Mr. BIELASKI. Very agreeably surprised. We anticipated great disorders, and trouble of all kinds, and I think it has been a remarkable record, not only from the standpoint of lack of disorder on the part of the alien Germans but forbearance and patriotic respect for the law on the part of the American people throughout the country. There has not been any disorder, and there has not been a single German, I think, in this country killed because he was a German during the time we were at war. There was one man hung out in Illinois, but he would have been hung if he had been an Italian. I think it was entirely a labor trouble.

Maj. HUMES. Then, it is a fact that the activities of the German elements before we entered the war were of such a nature that you and the Government agencies expected very much more serious trouble than materialized, and there was a decided change in sentiment, was there not, within a very few weeks following the declaration of war by this country?

Mr. BIELASKI. Yes; but I think our apprehension was very largely due to the activities of what might be termed the official German representatives, and the agents here, rather than so much what the individual here had done, because we found in practically every instance of anything being done here improper or in violation of law, that it was traceable right straight back to a direct paid agent or diplomat of the German Government.

Maj. HUMES. Then, it is a fact, is it not, that because of these activities before we entered the war, in almost every locality in this country, there were home defense organizations created, and some of them armed to some extent, expecting difficulty that afterwards did not materialize? Is that not a fact?

Mr. BIELASKI. Yes; there were a great many of those organizations; a great many—too many—I think.

Maj. HUMES. I think perhaps that is true, but it is also a fact that the Department of Justice, fearing the possibilities because of the activities that they had experienced up until our entrance into the war, were interested in and aided in the organization of the American Protective League?

Mr. BIELASKI. They did.

Maj. HUMES (continuing). Of several hundred thousand men, in order to keep track of these German activities that subsequently did not materialize?

Mr. BIELASKI. That is true. We prepared for eventualities that did not materialize.

Senator OVERMAN. I think you stated, if I am not mistaken, that it was the policy of the department not to state the number of interned Germans. Are you still of that opinion?

Mr. BIELASKI. That is a matter peculiarly within Mr. O'Brien's province.

Mr. O'BRIAN. That was a ruling of the Attorney General that he thought ought not to be changed.

Senator OVERMAN. He thought you ought not to make public the number?

Mr. O'BRIAN. That was his view. He asked that.

Mr. BIELASKI. I do not mean by my testimony to say that the American Protective League, because it did not have active service to perform, did not do a wonderful work, because it did.

Maj. HUMES. That is what I wanted to get on the record—that they did do a wonderful work, but I was pointing out the serious situation, that in the first instance it was thought necessary to form these organizations, but that the situation which they were formed to meet did not materialize as fully as expected.

Mr. BIELASKI. The American Protective League did a wonderful amount of work for the department in this, that through their members and their organization, in cooperation with our own agents, we were able to investigate every complaint. If some one got up and talked in an unseemly manner, an investigation was made immediately, and the result was to keep a feeling of security throughout the country, and in addition the American Protective League did a tremendous work in connection with the enforcement of the selective service act.

Senator OVERMAN. How many of the league members assisted you—what was the total of men, including your own men?

Mr. BIELASKI. They had a membership between 300,000 and 350,000 when they were at their height, and we had tried to bring into the organization of the Department of Justice, so far as we could, the county prosecuting attorneys, the sheriffs, the city police, and all that sort of thing, just at the time between the break of diplomatic relations and the declaration of war. The department undertook to organize as auxiliaries to the Federal Government all of the local organizations; also all of the field service of the department and things of that kind, our district attorneys, as Maj. Humes knows, with their headquarters in each district, in which the local prosecuting people of the State reported, and we kept in touch in every way.

Senator OVERMAN. Did you have cooperating with you the Navy Intelligence and the Army Intelligence?

Mr. BIELASKI. The Navy Intelligence forces and the Army Intelligence forces were larger organizations that cooperated with us. They had their peculiar fields, and in addition they had a field that sort of merged with ours.

Senator OVERMAN. All cooperating along the same line?

Mr. BIELASKI. Yes, sir. We had a joint conference here which met every week in Mr. O'Brien's office, in which the heads of all the various intelligence services met to discuss matters, and we had plans of cooperation in this field and exchange of information.

Senator OVERMAN. Could you give me an estimate, including the National Protective League, and the Navy, the Department of Justice, the Army, and all of those forces, about how many men we had?

Mr. BIELASKI. I got up such an estimate for the Attorney General at one time, Senator, including the police and everything, but I do not know what it would be. It would be 600,000 or 700,000, according to my recollection, including men in the employ of the Consular Service, the Immigration Service, the Forestry Bureau of the Agricultural Department, the fire fighters of the Interior Department, and all of the field men brought in to report to the organization. A certain number of those designated as the most trustworthy and

capable by their own departments used to make inquiries for us in the field.

Senator OVERMAN. That would be in the neighborhood of 700,000?

Mr. BIELASKI. I should say about that. It is, of course, an estimate. I have not the figures before me.

Maj. HUMES. Now, Mr. Bielaski, did you not attribute the situation which existed after we got into the war, the lack of German activities which you say existed, to the effective organization and the constant surveillance of the different agencies of the Government to a large extent, rather than to a change in the hearts of many of these active spirits of the German propaganda movement prior to our entrance into the war?

Mr. BIELASKI. I think that is undoubtedly true to a considerable extent. I know a great many—not a great many, but people—who said that if a German force landed here at the Potomac, men who were making liberty loan speeches would get ready to fly the German flag. There is in the German people a great love for material things and a great respect for the authority of law, and I believe there would have been a great change in a great many individual cases if there had been a German success and invasion by German forces had been imminent in this country. But I do not think that is a fair statement to apply to the entire body. Undoubtedly there would have been a great many, but the larger percentage by far of the German-Americans, those who are citizens, would have been loyal to us under any circumstances.

Maj. HUMES. The vast majority, but——

Mr. BIELASKI. The alien Germans would, I think, have switched the other way.

Maj. HUMES. But a very small percentage of the German sympathizers, as they existed prior to our entrance into the war, could have caused untold trouble if it had not been for the psychological effect of the constant vigilance of these departments and the fear that they had of action on the part of the Government?

Mr. BIELASKI. Other things contributed to the same thing, Major. The German operation is essentially one of organization. Their organization in this country, which had been developed through the period of our neutrality, was entirely broken up, or at least to a tremendously large percentage, by the arrests made at the outbreak of the war and by the surveillance which was maintained over those who were not arrested.

Maj. HUMES. Can you give us an estimate, or have you the figures available, as to the number of German and Austrian military reservists that were in this country?

Mr. BIELASKI. Well, practically all of the German and Austrian males between the military ages were considered reservists by the German Government. I should not think that that figure would differ materially from the figures given a while ago.

Maj. HUMES. Then, except in the instances of those who had become too old to be available for military duty, practically all of that million alien enemies were German or Austrian reservists?

Mr. BIELASKI. Yes; in a country of universal service, as those two countries were.

Maj. HUMES. There is one matter that has not been touched upon that strikes me as important, and that is the anticonscription and

antimilitary organizations and their activities following the entrance of this country into the war. Could you give us an outline of that?

Mr. BIELASKI. I could much better had I had an opportunity to refresh my recollection from our files. You see, those organizations were active particularly from the first of 1917 on until August and September and October; I should say, in August, 1917, those things probably reached their height and were gone—ancient history shortly afterwards.

Maj. HUMES. Could you prepare a brief summary, and put it into the record, of those organizations and their activities?

Mr. BIELASKI. Yes; there were a number of them. The one which continued the most active and lived the longest was this organization of Roger Baldwin's, the National Civil Liberties Bureau. That organization continued right up until Baldwin's arrest and imprisonment, and, to a limited degree, still lives, though it is not in any way active.

The same people that were in that organization were in the other organizations. To a large extent it was the same bunch of pacifists, conscientious objectors, and pro-German people who made up all of these organizations, although they changed their names frequently.

Senator OVERMAN. Did you have any estimate of how many there were?

Mr. BIELASKI. You mean in point of numbers?

Senator OVERMAN. Yes.

Mr. BIELASKI. I think they were comparatively small, indeed. There were not very many. They would announce a tremendous meeting at Cleveland to organize, and they would have seven or eight people there, and they would be the same people that were in the People's Council, or something of that kind. They were almost always the same radical pro-German or pacifist type of people.

Maj. HUMES. Was the People's Council of Peace and Democracy one of these organizations?

Mr. BIELASKI. Yes.

Maj. HUMES. What was that organization?

Mr. BIELASKI. The People's Council for Democracy and Terms of Peace, or something of that kind, was an effort to unite into one organization all of the radical pacifist and socialistic organizations. They expected to bring into their organization the I. W. W., the Socialist Party, all the pacifist organizations, and to get support from the German-American societies. They were to be modeled after some of the people's councils in Russia. They met with practically no success, because each one of these organizations that they wanted to bring in wanted to run the thing their own way. They did not amalgamate at all.

Maj. HUMES. Do you know who inspired that organization?

Mr. BIELASKI. Who inspired it?

Maj. HUMES. Yes.

Mr. BIELASKI. No; I do not know who inspired it.

Maj. HUMES. Was Roger Baldwin active in that organization?

Mr. BIELASKI. He was very active; yes. There was a group of, I guess, 8 or 10 who came down here. According to my recollection the first meeting was in Washington, the preliminary meeting to the organization, and some 8 or 10 people were present.

Maj. HUMES. Do you remember who attended?

Mr. BIELASKI. No; I do not, offhand. I know that they hoped to bring into that organization in some way some of our leading public men who had, they thought, shown pacifist tendencies, etc.; but I do not think they were successful in that at all.

Senator OVERMAN. Where is Baldwin from?

Mr. BIELASKI. Baldwin is a Harvard graduate, I think. That is one of the things I have always had to mention to Mr. O'Brien when the case comes up. He was a very intelligent, likeable sort of fellow. He, however, was, I think, in addition to taking the position that he was following his conscience, actively disloyal and opposed to the conduct of the war. He lived, I think, in the Middle West for a while, and then lived in New York. He was a member or sympathizer or director or an officer in from 40 to 50 of these various organizations. Some of them, I think, had little more than a letter-head and officers.

Senator OVERMAN. He was one of these "jiners"?

Mr. BIELASKI. Yes; he was decidedly a jiner and an organizer.

Eventually he went to jail for failing to comply with the provisions of the conscription act. I do not know whether there have been indictments returned against him, but he has been involved in specific instances of trying to get other people to become conscientious objectors who had not properly come within that class under the act.

Maj. HUMES. He also arranged, did he not, for an organization over the country that would locally represent conscientious objectors in the various communities?

Mr. BIELASKI. He did. He said his associates endeavored to perfect a sort of legal aid association to conscientious objectors, also providing radical speakers, and all that sort of thing.

Our trouble with him was not that he was a conscientious objector, but that he was a man who was trying to create conscientious objectors, and to really interfere with the conduct of the war.

Senator WOLCOTT. Was Prof. Scott Nearing tied in with that organization?

Mr. BIELASKI. Oh, yes. Scott Nearing was one of the men who was associated with Baldwin. I think he was also deliberately opposing the successful conduct of the war.

Senator WOLCOTT. He was arrested, too, was he not?

Mr. BIELASKI. Yes; he is under indictment awaiting trial.

Maj. HUMES. Have you in your files a record of the officers of the various organizations?

Mr. BIELASKI. I think so; yes.

Maj. HUMES. Can you furnish us with a memorandum of who they are and their location?

Mr. BIELASKI. Yes. If you do not object, I will ask Mr. Allen to get that up. It is all a matter of record.

Maj. HUMES. Do you remember who the officers of the People's Council for Peace and Democracy were?

Mr. BIELASKI. No; I do not remember, offhand. I remember Theodore Lunde was the most active man from Chicago. He had been an especially active pro-German.

The same group of principals made up most of the officers in all these organizations.

Senator OVERMAN. Were they financed by the German Government?

Mr. BIELASKI. I think not; no, sir.

Senator OVERMAN. Did you say David Starr Jordan was treasurer of this concern?

Maj. HUMES. Yes.

Mr. BIELASKI. He was treasurer of the organizing committee of the People's Council.

Maj. HUMES. He was treasurer of the organizing committee of the People's Council for Peace and Democracy.

Senator OVERMAN. Did he not write a letter here of some character?

Maj. HUMES. Yes. He has written a letter asking to have it put into the record. It has not gone into the record yet.

Senator WOLCOTT. Mr. Bielaski, you have mentioned some of these organizations here, headed by very active men, the object of which was, at one time, to defeat the operation of the selective-service law, to stir up the slumbering conscience of the people so that they might think they had conscientious objections to serving in the Army. Do you know how many conscientious objectors there were throughout the whole country?

Mr. BIELASKI. No, sir; I do not.

Senator WOLCOTT. After the work of all these organizations, do you know how many conscientious objectors turned up?

Mr. BIELASKI. I do not; but the War Department undoubtedly has those records complete.

Senator WOLCOTT. Capt. Lester, have you those figures?

Capt. LESTER. I have the figures as to the number that finally refused military service of any character.

Senator WOLCOTT. On the ground that they were conscientious objectors?

Capt. LESTER. On the ground of being conscientious objectors.

You see, they were classified, by order of the Secretary of War, in February, 1918, into noncombatant military service, and those who refused combatant or noncombatant military service; those who were permitted to take noncombatant military service after the order of February 12, 1918, and those who refused noncombatant military service, or military service of any character, were segregated and taken to Fort Leavenworth; and out of, I think, over 3,600,000 men that went into the Army, Navy, and Marine Corps of the United States, there were 230 men finally rounded up at Fort Leavenworth who refused military service of any character.

Senator WOLCOTT. On the ground of conscientious objection?

Capt. LESTER. On the ground of being conscientious objectors.

Mr. BIELASKI. There were a great many cases also of men who were members of organizations like the Mennonite Church, who did not follow the tenets of the church, but went into the Army. I happen to know of some personal cases where young Mennonites went into the Marines and came back with one leg and that sort of thing.

Senator WOLCOTT. I think there were some Quakers who fought also?

Mr. BIELASKI. Yes; there were some Quakers who went in, too. I think there were more who violated the tenets of the church than those who tried to be excused from military service.

Senator OVERMAN. There were only about 300 applicants to be excused from any kind of military service?

Senator WOLCOTT. Two hundred and thirty.

Senator OVERMAN. Two hundred and thirty who absolutely refused to do military service of any character?

Maj. HUMES. Any kind of service; yes. Then there was the other class that entered the noncombatant service.

Senator WOLCOTT. Do you know how many there were?

Capt. LESTER. I have not the figures here, but there was a comparatively small number. It was less than 2,000 men who refused combatant service but who accepted noncombatant service.

Mr. O'BRIAN. I might say that Judge Mack, who was a member of the commission which heard these cases, told me, within a week, that there were only 1,800, all together, that came before the committee for classification, and of that number 230 refused to do anything at all, would not put on a uniform and refused to do any kind of labor, and went to Leavenworth. The balance accepted some form of noncombatant service.

Senator WOLCOTT. The balance of the 1,800?

Mr. O'BRIAN. Yes.

Capt. LESTER. That is correct; and the 230 that went to Leavenworth were given service on farms in the neighborhood. They had the alternative of imprisonment or going on the farms to work, and most of them accepted the farm work. There were only 230 of them altogether out of any military service.

Senator OVERMAN. Any other questions, Maj. Humes?

Maj. HUMES. I think that is all.

Senator OVERMAN. We can go on for about 10 minutes if you have anybody else, Major.

Maj. HUMES. No; I think that is all at this time.

Senator OVERMAN. Then we will take a recess until 2.30.

(Thereupon, at 12.30 o'clock p. m., the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met at 2.30 o'clock p. m., pursuant to the taking of the recess.

Senator OVERMAN. I do not believe we will wait any longer for the other members of the committee to come. I think we will just go on.

Maj. HUMES. Maj. Keehn desires to make a statement.

TESTIMONY OF MAJ. ROY D. KEEHN.

(The witness was sworn by the chairman.)

Maj. KEEHN. I would like to state that I have been connected with the Eastern Department, Governor's Island, N. Y., and did not expect to be in Washington and had prepared a statement covering a few points that were brought out in this hearing that are within my particular knowledge, in Chicago.

Senator OVERMAN. Where is your home, Major?

Maj. KEEHN. Chicago. And if I may be permitted to read this statement, it will answer the purpose.

Maj. HUMES. Where do you reside, Maj. Keehn?

Maj. KEEHN. My home?

Maj. HUMES. Yes.

Maj. KEEHN. I live in Chicago, Ill.

Maj. HUMES. What is your business?

Maj. KEEHN. Lawyer; that is, lawyer and newspaper man. I start right out by stating who I am.

Senator OVERMAN. Are you now a major in the Army?

Maj. KEEHN. In the Judge Advocate General's department.

I am a member of the law firm of Dickinson, Wetten & Keehn of Chicago, and before entering the Army was for 10 years general counsel and attorney for the Chicago Examiner—which became the Chicago Herald and Examiner when the two newspaper properties were merged—the Chicago American and all of Mr. Hearst's interests in Chicago, as well as general manager for Mr. Hearst's Chicago papers for the past four years.

Senator OVERMAN. I should not think a lawyer would have much time to do that sort of work.

Maj. KEEHN. Maybe I was not much of a lawyer.

Senator OVERMAN. I have no doubt you were a good lawyer.

Maj. KEEHN. During the time specified I have been in constant touch with Mr. Hearst and have received from him his general directions and instructions to managers and editors, formulating the editorial policies of his newspaper publications. It was my duty to see that these directions and instructions were carried out in his Chicago newspapers. The effect of these policies can best be illustrated by the subjoined statement from Mr. Samuel Insull, of Chicago, chairman of the Illinois State Council of Defense, appointed by Gov. Frank O. Lowden. Mr. Insull is a large stockholder in and general manager of most of the public utility corporations of Illinois, and these corporations have frequently been under the fire of the Hearst Chicago papers in line with these papers' policies advocating public ownership and control of public utilities. Comment from Mr. Insull therefore could not be expected to be more favorable to these publications than from any other fair-minded man. [Reading:]

If I were called to testify I would have to say that I had something to do in a semiofficial capacity, in directing the work of the British Government in this country prior to the entry of the United States into the war. At that time I believed Mr. Hearst's newspapers to be anti-British—not pro-German, but anti-British.

After America's entry into the war, as chairman of the State Council of Defense, I had occasion to watch the Hearst papers and I know that they gave my committee full and complete support, and I know them to have been truly American and very patriotic.

I may add that is a statement which was given to the editor of the Herald and Examiner last week and repeated to me in Chicago last week.

In carrying into effect Mr. Hearst's instructions which came to me, his two Chicago newspapers devoted more space to the stimulation of war activities as desired by the different departments of the Government, and to the needs of such great charitable enterprises as the Red Cross, the Young Men's Christian Association.

he Young Women's Christian Association, the Knights of Columbus, the Jewish War Relief, and the Salvation Army, than any of the other newspapers of that city. You understand I am talking about Chicago all the time.

To illustrate specifically this statement the following is a report of such space devoted by the Chicago dailies to the fourth Liberty loan, compiled and given out for publication by the Chicago Liberty loan committee:

	Lines.
Chicago American	120, 770
Chicago Herald and Examiner	118, 181
Chicago Tribune	93, 805
Chicago Daily News	78, 394
Chicago Post	75, 897
Chicago Journal	70, 807

The Chicago American and Herald and Examiner run 280 agate lines to the column. The Tribune has 300 agate lines to the column, the News, Post, and Journal 305 agate lines to the column.

Mr. Hearst's Chicago papers, conducted directly under his personal instructions and supervision, have received many letters and telegram of thanks and commendation from high public officials and leaders in war activities of the Nation and city. The following telegram from Secretary of the Treasury William G. McAdoo, sent during the campaign for the second Liberty loan, is typical:

CLEAR LAKE, IOWA, October 1, 1918.

ROY D. KEEHN,

Manager, Hearst Chicago Newspapers,

Examiner, Chicago, Ill.

Extremely sorry I did not have the pleasure of seeing you in Chicago. Many thanks for the kind support the Examiner is giving the Liberty Loan and for its generous treatment of me. You are rendering a genuine service to the country and I want you to know how deeply I appreciate it. Warm regards.

(Signed) W. G. McADOO.

It has been intimated or insinuated that Mr. Hearst was not generally friendly to assisting our Government agencies in support of war activities. I would like to cite one instance in which I personally participated. The following letter to Hon. Joseph Tumulty, secretary to the President, is self-explanatory:

SEPTEMBER TWELFTH, NINETEEN EIGHTEEN.

Hon. JOSEPH TUMULTY,

Secretary to the President,

White House, Washington, D. C.

DEAR MR. TUMULTY: Confirming my suggestion made to you in Washington the 8th and 11th insts.: I said I believed that I was in a position to get into your hands the confidential files of Count von Bernstorff and Captain Boy-Ed, through the use of Gaston B. Means, who, prior to our entering the war, was the confidential aide to Captain Boy-Ed.

I base this opinion on information given to me by Means in the course of the last two months while he has been a witness in the King case in Chicago, which I tried in the Probate court.

While Means has been tried for murder, accused of forging this will and of being a German agent, I have found him to be truthful, accurate and absolutely dependable.

He brought these matters to my attention suggesting that documents which he could secure would be valuable for publication in the Hearst newspapers, and would constitute the greatest news beat of the war. Means told me that he thought he could put me in touch with official German documents which would not only show that all of the reflections on Mr. Hearst by rival news-

papers were untrue, but that the very papers making them had been involved with the German propaganda.

Naturally, I was interested in securing these documents which he claimed were in these files. I later told Mr. Hearst about it and he said if it were possible for Means to secure such documents it was his duty to turn them over to the President at once instead of using them for newspaper purposes, and later, if it was determined that there was anything in the documents that should or could be published, he would naturally be glad to have his papers publish such matters.

Having confidence in Means' integrity, and feeling that he is sincere in believing that he can locate these documents, I have decided to remain with him and work on the matter with him so long as there is a chance to find them. Believing as I do, I feel it is my duty, and my patriotic one, to do this, and am sure he does.

I do feel that our search ought to be permitted to proceed with cooperation but without unnecessary interference from Government agents, however, so that we should have any protection to make legitimate search for these documents successful.

Respectfully yours,

(Signed) ROY D. KEENE

P. S. Please acknowledge to Biltmore..

In line with his attitude as defined in this letter, Mr. Hearst directed me to obtain Government sanction and cooperation in making search for the papers, and if found, to turn them over directly to the President. The search was conducted and several weeks of my time and the time of others was used, and Mr. Hearst personally paid the expenses. Gen. Churchill, Chief of the United States Army Intelligence Bureau, thanked us for the service rendered the Government and his department in this work.

Soon after the Alien Enemy Property Custodian made public his report on the purchase of the Washington Times, showing that a number of brewers had made a loan to aid in such purchase, it was stated in the public prints that money of the Washington Times had been used in the purchase of the Chicago Herald on behalf of Mr. Hearst. As soon as this misstatement was called to my attention I directed the head of our Washington news service to trace it to its source and make authoritative denial. In spite of this effort in the cause of fair play the statement has been repeated and has made its appearance in the record of the hearings now being conducted by your committee.

I desire, therefore, to state here the full facts about the purchase of the Chicago Herald and to clear the record of any statement of intimation that any brewers' money, or Washington Times money, was used in any way in connection with the purchase.

The Chicago Herald was purchased by the Illinois Publishing & Printing Co., an Illinois corporation, which was then publishing the Chicago Examiner, now the Herald and Examiner, from the Herald Co. The price paid was \$450,000, payable in equal annual deferred payments, and not a cent of the purchase price was paid in cash, but all was secured by a general mortgage which set forth the terms of the contract and which was recorded in the recorder's office of Cook County, Ill., in May of last year, and was a matter of public record long before this hearing was even suggested and for that reason was available to any one who cared to ascertain the facts and state the truth.

I might add that I negotiated the deal; I represented Mr. Hearst in the negotiations, and as an officer of the company signed the contract and speak of personal knowledge.

This purchase included the Chicago Daily and Sunday Herald, the Associated Press franchise, and other news franchises, several presses and press equipment.

All of the capital stock of the Illinois Publishing & Printing Co. was then and is now owned by Mr. Hearst.

My purpose in making this statement is to shed a true light on the editorial policies as reflected by the Hearst newspapers under the guidance of Mr. Hearst, because my position with the Hearst publications has given me an intimate knowledge of his attitude and work possessed by but few men in the country.

I believe it possible to choose with design scraps of news and fragments of editorials from any aggressive newspaper in the country and to sift and arrange them with a prosecutor's cunning and make the same sort of a showing against that publication as had been made before the country by the reports of this hearing. In fair and open hearing, where it is desired to obtain all of the facts and the truth revealed by the facts, the whole attitude of the paper and the tone of all its publications should be taken into account and weighed as this committee is sure to do when it begins its deliberations.

I know from personal knowledge and association with him for years and especially during the period of the war that there is no aggressive citizen more truly American than is Mr. Hearst.

I would like also to read a telegram received last night from the managing editor of the Herald, which he has asked me to read:

CHICAGO, ILL., January 8, 1919.

Major ROY KEEHN,

Poichatan Hotel, Washington, D. C.

May I suggest that you put the following in the record of the Senatorial Committee, viz. the war service of the Chicago Herald and Examiner.

1. Petitioned Congress with a million of names calling for Universal Service training act.
2. Opened at own expense twenty seven recruiting stations including central camp at Grant Park, the day after the United States entered the war.
3. Helped seventy-eight thousand Chicago men to fill out their questionnaires.
4. Helped sixty-three thousand Chicagoans to fill out their war time income tax reports at its branch office.
5. Operated only free government bureau for women in war time in the United States. Placed 6,400 women in war work.
6. Gave more free space to every drive of the Red Cross, the Liberty Loan and sales, War Savings Stamps sales, etc. etc., than any other newspaper in America,
7. Is one of the Hearst string of papers which bought more than \$1,500,000 in Liberty Bonds, more than any other paper or group of newspapers in the United States.
8. Sent the living, smiling, moving pictures of the families of Chicago's Fighting Boys' over there in 48 reels of Smile Film for Christmas.
9. Conducts the Soldiers Friend Bureau, headed by a retired Major USA, and a competent staff. It will try to get for a soldier, sailor, or his family, anything they want.
10. Established a free employment bureau for soldiers and sailors and gives free want ads. to soldiers and sailors seeking employment.

WALTER HOWEY,

Managing Editor Chicago Herald and Examiner.

Senator OVERMAN. Do you desire to ask him some questions?

Maj. HUMES. No; I think not, Senator.

Maj. KEEHN. I wanted to state that I have appeared simply because I felt there were some things in the record that personally were in my knowledge that I should speak about, particularly the purchase of the Chicago Herald-Examiner.

Senator OVERMAN. I invited everybody here who desired to be heard. I understood you to say there was no money paid by the Washington Times at all?

Maj. KEEHN. No; there was no money paid at all. There was a promise on behalf of the Illinois Publishing & Printing Co. to pay that sum.

If you care to have me do so, I can wait, if you do not want to proceed now.

Senator OVERMAN. If you will, wait until Senator Sterling comes, please.

Maj. KEEHN. I can retire to the back end of the room if you want to go ahead with something else.

Senator OVERMAN. Yes; you may retire to the rear of the room.

Mr. VON MACH. May I be heard now, Mr. Chairman?

Senator OVERMAN. Yes; we will hear you now.

TESTIMONY OF MR. EDMUND VON MACH.

(The witness was sworn by the chairman.)

Senator OVERMAN. State your name, residence, and your occupation.

Mr. VON MACH. My residence is Little Gaffert, West Brooksville, Me. I do not know about my occupation. I have been very successfully gagged as an author, just at present, and so I suppose I had better call myself a farmer.

Senator OVERMAN. Have you been connected with any institution as a professor?

Mr. VON MACH. No.

Senator OVERMAN. Your name is von Mach?

Mr. VON MACH. Yes, sir.

Senator OVERMAN. How do you spell it?

Mr. VON MACH. V-o-n M-a-c-h.

Senator OVERMAN. As I understand, you want to make a statement to the committee?

Mr. VON MACH. I should like to, sir.

Senator OVERMAN. Proceed.

Mr. VON MACH. Is it quite fair, sir, for me to make my introductory statement without the other Senators being present, when they have heard all these outrageous attacks that have been made on my honor?

Senator OVERMAN. If you desire to have them, possibly not.

Mr. VON MACH. If it is possible, sir. If it is not asking too much, I should like very much to have some of the other Senators present.

Senator OVERMAN. Senator Sterling and Senator Wolcott will be here in a few minutes. We will wait a few minutes for them. Mr. Humes, have you anything else you can proceed with until they come?

Maj. HUMES. Nothing else.

(At this point Senator Sterling came into the room, and the statement of Maj. Keehn was handed to him.)

Senator OVERMAN. Maj. Keehn, Senator Sterling would like to have time to read this statement of yours. You may come down in the morning, if you want to go now.

Senator STERLING. Will that be convenient for you?

Maj. KEEHN. I will wait here. I would just as soon do so. I think it would be better for me to wait.

Senator OVERMAN. Can you not come down in the morning?

Maj. KEEHN. I think I can, but I am not at all certain. I may have to go to New York. Gen. Bell died, I understand, yesterday, and I was at Governor's Island this week, and I have not been at the War Department, and I do not know what may develop from that. I may be requested to go there for the funeral.

Senator STERLING. I will see if I can go over your statement now.

Maj. KEEHN. I will wait here.

Senator OVERMAN. Where were you born, Mr. von Mach?

Mr. VON MACH. In Germany.

Senator OVERMAN. How long have you been in this country?

Mr. VON MACH. Twenty-seven years.

Senator OVERMAN. Have you been naturalized?

Mr. VON MACH. Yes, sir.

Senator OVERMAN. What is your age?

Mr. VON MACH. Forty-nine.

Senator OVERMAN. I think you had better proceed. The other members of the committee will read what you have to say. Senator Wolcott is coming in now.

Mr. VON MACH. My purpose in requesting you, sir, to grant me a hearing, was a double one.

In the first place, I desire to enable your committee, so far as I am able to do so, to ascertain the whole truth; and, in the second place, I wish to defend myself against the accusations which have been made here against me. So far as I have been able to gather from the news accounts, these accusations have practically amounted to this: That I had stolen or misapplied funds collected for the purpose of sending milk abroad; that I had been a member of the vicious German propaganda; that I had received and disbursed German Government money; and that my actions since we entered the war have been very suspicious, to the extent, practically, of disloyalty.

In order to conserve your time as much as possible, I have prepared a brief statement. After finishing that statement I desire to submit to you some documents, and first give you an outline of what these papers contain, and then put myself entirely at your disposal for the asking of questions. In my letter to you, sir, I requested that Mr. Bielaski and Mr. Becker, who, I understand, have made most of these charges, be present, because it is my intention to prove to you that the charges have been willfully false, either in toto or in the inferences which you gentlemen were expected to draw from them.

If, after reading this statement, you desire to have me make any supplementary statements on any subject whatsoever, I am entirely at your disposal.

I was born in Germany in 1870, came to America in 1891, declared my intention to become an American citizen in 1912, being sponsored by the late governor and Secretary of the Navy under McKinley, John D. Long—to whom I was related by marriage—and Mr. Ewing Hamlin, a naturalized American citizen of Scotch birth. I renounced my allegiance to my former sovereign, the German Emperor, in May, 1914, and, after the lapse of the legally demanded six months,

was granted my papers as a sovereign American citizen, in November, 1914, the two men mentioned above again vouching for my character.

For the reasons inducing me to become an American citizen, I wish to refer to a public statement which I have made. It was made in reply to the New York Staats Zeitung, which, during the summer of 1918, announced a prize for the best essay on "Why I became an American citizen." The essays were submitted anonymously to the two judges, Messrs. Ludwig Nissen and William Foster, of New York, who awarded to my essay the first prize.

Senator OVERMAN. What did you say about the New York Times?

Mr. VON MACH. The New York Times once happened to get hold of a paper of this kind to which the Times had no right whatever. The Times had had a reporter at the speech. Instead of quoting what I had said, the Times printed what I had roughly put down as a note for myself, but not intending to say or publish.

The reasons "why I became an American citizen," in translation, read as follows:

The German longing to see the world was mine by inheritance. On my father's side my relatives had seen the great East beckoning to them, while on my mother's side America had been their ideal. As a young man my grandfather had settled in Louisiana. Later when he had returned to Germany and was suffering from the effects of his Russian captivity—as a Saxon he had been in Russia with Napoleon—he never tired speaking of his beloved America and singing the praises of the heroes of the War of Independence. When I was a little boy I read much of Washington and Franklin and the other great men of the American Revolution, and was given detailed instruction in American history with its many epochs of achievements in the struggle for the rights of the individual.

As soon as I was old enough to live my own life after my own fashion I came to America, finished my education in one of the oldest universities here, and have lived here steadily since then, with the exception of a trip around the world and visits in my old home.

I am married here, and my wife is descended, both on her father's and her mother's side, from the first immigrants on the *Mayflower*.

I became an American citizen, not because I did not love Germany and my people there, but because the Constitution of the United States appealed to me as the very best of any State, and because I believe that a man who wishes to live permanently in a country has the duty to take an active part in its affairs as a citizen.

Moreover, I saw to my amazement and sorrow that ever more people in this country are turning a cold shoulder to many of the principles contained in the Constitution and the Declaration of Independence, and I felt proud in the thought that as an American citizen I might do something toward winning greater respect and honor for these two great documents of the freedom of man.

True Americanism is founded, according to my views, on the love of mankind. Pride at being a free man and no one's subject characterizes the real American.

On November 27, 1917, Mr. William Roscoe Thayer, the propagandist of the Italian cause in this country, reverted in a letter in the Boston Herald to the charge having been made on me of being and having been a paid German agent. I replied in the Boston Herald as follows: "I have lived in America 26 years"—that was

a year ago—"and during all this time I have had neither directly nor indirectly any connection with the German Government, nor received one penny from it or any of its representatives. Nor have I had any official or unofficial position with it or them."

To this I may add that beginning with 1899 I have written books, delivered paid lectures, and received pay for newspaper articles, like other men in my position, and that I have, of course, never traced the source of the moneys paid me back beyond their immediate and natural source. From October, 1914, to May, 1915, for instance, I wrote weekly articles, called "The German viewpoint," for the Boston Transcript, at the invitation of its managing editor, Mr. Mandell, who claimed, because of poverty, that he was unable to pay value. He paid me \$25 for each article. I have no means of knowing whether he was reimbursed for these amounts by the German Government or any of its agents. At the time I believed that this was not the case. Since then I have heard rumors that he accepted allied money. If this should be true, and I urge this committee to investigate this rumor, he may, of course, have earlier accepted German money.

But so far as I am concerned, my above statement that during the 26 years I have been in America I have received not one penny from the German Government remains true.

Many years before the outbreak of the European war, and as the result of impressions which had gradually grown upon me, I came to the conclusion that America as a whole had a very inaccurate conception of European conditions, and that especially Germany was little understood, and that the problems facing her on the theater of European politics had not entered into American thought. When, therefore, in 1911 I came across a book by Paul Rohrbach which seemed to me to express these problems in clear terms, I translated the book. The manuscript was first offered to the MacMillan Co. whose president, Mr. Brett, wrote that he was deeply interested in the book, but that unfortunately the American public had no interest whatsoever in world politics and problems, and that even this excellent book would find no readers. He was therefore obliged to refuse to publish it. My literary agent thereupon—a man, by the way, of British birth—submitted the manuscript to 14 other publishers, all of whom declined it, and in most instances it went to the head man, and most of them declined it for the same reason as Mr. Brett. My agent then hit upon the idea that the book should receive, if possible, a preface by a big American who might be supposed to be beyond the limitations mentioned by Mr. Brett as characteristic of all America. We asked first Mr. Roosevelt and then Mr. Taft to read the book and write the preface. Neither man was willing to read the book. With the tenacity for which the English bull dog is known my agent then suggested that I should endeavor to have the German Emperor write the preface, or accept the dedication of the book in a statement which could be announced as a preface by him, and thus make the publication of the book possible here. I may add also that in England he was in connection with another publishing firm, and I shall submit to you afterwards the letter written in 1912—perhaps I might submit that letter right now because it throws a very interesting light upon conditions there.

Senator WOLCOTT. What year was it that you made this translation?

Mr. VON MACH. In the summer of 1912.

I suppose it is not necessary, if I show you the name of the publishing firm, to mention the name, but I should like to read this sentence about it. This publisher in Great Britain was willing to publish the book there if by any chance the German Emperor could write a preface or accept the dedication. He says:

I think the average Briton has come to the conclusion that, if there is to be war, "let us have it and get done with it," rather than this interminable talking and writing about it.

That was written on October 15, 1912.

Senator WOLCOTT. What was the title of that book?

Mr. VON MACH. It has appeared since the outbreak of the European war. At the outbreak of the war the Macmillan Co. inquired whether the book was still for publication, and they published it under the title of "German World Policy." The German title, which I considered erroneous, was "The German Idea of the World." A great deal of misunderstanding has been due to the fact that we have literally translated one word from one language to another language. In one language it has one connotation that it does not have in the other.

Senator WOLCOTT. What was the German title?

Mr. VON MACH. "Der Deutsche Gedanke in der Welt." The word "Gedanke" has a different idea in the German than it does in translation.

At the suggestion of my literary agent I wrote to the Emperor and asked Count von Bernstorff to second my request. With his usual courtesy he did as I asked, at the same time telling me that the request was so unusual that he felt sure it would be declined. It was declined by one of the secretaries of the Emperor, and I doubt whether he himself was ever informed of it. The manuscript remained unpublished until after the outbreak of the European war, when the Macmillan Co. published it under the title "German World Policy." It was then, of course, too late to do any good.

I have mentioned this incident at length because my entire literary activity since the outbreak of the European war has been nothing but the continuance of my efforts begun in 1912, when I translated Rohrbach's book in the hope of letting America see the problems of Europe as they appeared to Europeans.

Senator NELSON. Whose book? Bernhardt's book?

Mr. VON MACH. No, sir; I did not even know anything about Bernhardt's book; it was a book by Rohrbach, which has been published by the MacMillan Co.

Senator NELSON. I misunderstood you. I thought it was Bernhardt's book.

Mr. VON MACH. I would not have given myself to propagate Bernhardt's views.

Then, in the stress of life, an individual or a nation is forced to take a stand, rare good luck may help either to choose rightly or ignorantly. Nine times out of ten, however, the correct choice will depend on an accurate knowledge of all the facts. America is fortunate in having among her sons descendants from all the

nations of Europe, who, therefore, may be expected to understand intuitively the hearts of the people of their old homes. America, therefore, of all nations need never be without a full comprehension of all the facts, unless in times of stress and fearing to espouse the unpopular part at the moment her immigrated sons turn cowards. If I am charged with having refused thus to turn coward, I plead guilty. But in so pleading I proclaim myself a true American, for America wants her sons to be brave, not only physically but also spiritually, and despises cowards.

But it has been claimed my attitude since Congress declared war against Germany has been open to suspicion. I deny this. I have made my attitude perfectly clear on two occasions, once in a letter to the Attorney General and once in an article written for and published in the *Mitteilungen*, the official organ of the German-American National Alliance. To the Attorney General I wrote, on March 17, 1918:

When Congress declared war our beliefs could not alter over night, although our obligations prescribed a new course.

Senator NELSON. We had not declared war March 17. We did not declare war until April.

Mr. VON MACH. This is March 17, 1918 [reading]:

Love for the country of one's birth, for one's parents, relatives, and boyhood friends is an involuntary emotion. The man who has been blessed with it can no more eradicate it from his heart than a living man can stop breathing. Obedience to the Constitution and the laws made under it, and active thoughts for the welfare of one's new country, are subject to the will of the individual. So far as these voluntary acts are concerned, I am not conscious of having deviated in the slightest from the oath I swore when I became an American citizen.

In the *Mitteilungen* I said, in June, 1917 (in translation):

An honest man keeps his oath. We have sworn allegiance to the Constitution, and this means that we can not help the enemies of our country. "You dear ones in the old homeland," many a German heart says here, "I have hoped and prayed and have failed. Now we are at war. We may not help you. Surely, you understand that; for you too are German, and know that a German man does his duty, though his heart should break in so doing."

In the terrible crisis of the past years the American citizens of German descent have done their duty. They have done it in spite of the persecution and unjust accusations brought against them by the temporal powers, in spite of the attempt made by men in authority to have them forswear their race and character—in spite, I say, of the greatest provocation on the part of the authorities, because their allegiance does not lie to these men in authority or to any men at all, but to the Constitution.

One of the hardest things to bear has been the fact that most of the charges brought against us men and women of German descent are based on accusations laid against us, not by the proper agencies of our own Government but by the agents of a foreign government, by the British secret service, and that the criterion of our loyalty in consequence has not been our fidelity to our own Constitution but our hostility to the form of government represented, and the methods employed, by Great Britain.

Long before Congress voted to enter the war, the British secret service, I have been informed, had compiled a blacklist of American

citizens distasteful to them, and when we declared war this blacklist, compiled contrary to every American principle of right and international comity, was taken over, I understand, as the nucleus of a list of so-called disloyal citizens. If you really desire to get at the truth, your committee should scrutinize the workings of the British secret service in this country since 1914, and possibly earlier.

I can submit to you what purports to be the statement by a paid secret service man of Great Britain, stationed months before the outbreak of the European war at one of our great eastern ports, merely a cog in the wheel of an enormously big machine, taking his orders and going where he was sent by the head of the British secret service stationed in Canada.

My own activities since the outbreak of the European war in 1914 fall into well-defined groups: First, from the fall of 1914 to December, 1915, when with pen and voice I was actively endeavoring to present to my new fellow citizens the point of view of my old home and the truth, as I saw it.

Secondly, from December, 1915, when I accepted the position of executive chairman of the citizens' committee for food shipments, with offices in New York, to December, 1916, when we discontinued the active work of the committee.

Third, from January, 1917, to our declaration of war on Good Friday of 1917, when, having become convinced that we were drifting into war, I worked solely on my own responsibility in an effort to arouse the country and their Representatives in Congress to a realization of the true condition of affairs.

Senator NELSON. Let me ask you a question. Did you, during those years, 1915 and 1916, ever denounce or criticize the sinking of the *Lusitania*?

Mr. VON MACH. I have said publicly a great many times——

Senator NELSON. Did you then, during those years?

Mr. VON MACH. I believe I did, sir; but I did not—your question refers now just merely to the *Lusitania*. Supposing we say in not only the *Lusitania* but other incidents of the war where we felt criticism was necessary.

Senator NELSON. Confine yourself to that. It was a case of its own kind.

Mr. VON MACH. Senator, there were so many people to condemn that it was not necessary for me to raise my voice here in condemnation; but, if you desire——

Senator NELSON. Did you or did you not?

Mr. VON MACH. If you desire, I will tender you a letter, which I wrote to my brother in Germany, in which I very severely condemned the sinking of the *Lusitania*, not on grounds of international law, because I believe on grounds of international law you might find excuses, but I said: "You can not ever expect to have a country be friends with you if you hurt the feelings of the country, as the sinking of the *Lusitania* has done, and there is no worse thing that can be done if you want to keep friends with a country." I maintained at the moment——

Senator WOLCOTT. You did not condemn the act, you condemned it from the German point of view.

Mr. VON MACH. Sir, I have condemned the war and all acts of war so frequently in books, I am going to come to it in a moment

here, that it was hardly necessary. I have been attacked by people who have had the chance of investigating, of reading what I have said. I have condemned from A to Z all cruelty, all spilling of blood. I have never——

Senator NELSON. Did you ever condemn the operations of the German Army in Belgium in 1914?

Mr. VON MACH. Sir, I had endeavored to ascertain the actual data of this.

Senator NELSON. Oh, yes.

Mr. VON MACH. But I have been——

Senator NELSON. You have not been able to discover it?

Mr. VON MACH. I could not, sir, nor have you, sir, because the report that Ambassador Page sent to the State Department in January, 1915, has never been published yet, and if you, Senator, will call upon the State Department to submit to you the Page report of January, 1915, you can then compare that with the so-called Bryce report, I think you, Senator, will agree with me that the actual facts about that have never yet become known.

Senator OVERMAN. How do you know about the Page report? Did you see it?

Mr. VON MACH. I will tell you, Senator. On January 28, 1915, the New York World, which was very close to the administration, and I believe still is very close to the administration, published a statement that Ambassador Page had submitted to the State Department a report sent to him by Earl Grey—Sir Edward Grey—explaining that an investigation by the British Government had taken place, and that not one single instance of so-called atrocities had been proved. Now, that statement entirely coincided with the news reports from Great Britain.

In Boston there is a gentleman named Firth, whose daughter is married and in Manchester, England, and he was sending out reports to the effect that his daughter had seen in Manchester—I believe it is Manchester, it might be another city—had seen there little children horribly mutilated by German soldiers in Belgium. At the same time the news, the British press, published the statement that the bishop in that same place had publicly announced that he had been very much interested in all these stories, and had tried to trace them down, and had not found one single instance of their being true. Thereupon a lady in Boston wrote to Mr. Firth, and Mr. Firth then referred this lady to the letters from his daughter, stating that his daughter had never said that she had seen incidents of that kind. Nevertheless he sent out the reports of the letters saying that his daughter had seen them. When I began to be interested I tried to find out about those. I asked Mr. Lansing, in the summer of 1915, if he would have the goodness to tell me about this so-called Page report in the files of the State Department; that I had mentioned it in a speech which I delivered in Buffalo on the same platform with Mr. Whitridge, and he had challenged me, saying that there was no such report. Mr. Lansing, in a very courteous note, replied, referring me to the newspaper, the New York World, saying that a search of the files of the State Department had not revealed the presence of the Page report. I then wrote to the Secretary of State that it seemed to me that this was so important a

matter that instead of referring me to a newspaper denial, I felt I had the right to ask him please to tell me definitely, is that report there or is it not there, because I did not want to go on referring to that report if it was not there, and the Secretary refused to say whether or no it was there.

Senator NELSON. Did you ever take any notice of Col. Mercer's report? You know who he was?

Mr. VON MACH. I know who Col. Mercer was.

Senator NELSON. Did you know about his report?

Mr. VON MACH. I knew about his report, and have not been able in my own mind, Senator—and I know that this will not appeal to you, this statement, but I have not been able in my own mind—to ascertain whether the hardships referred to there were the hardships naturally resulting from war and the devastation of war, such as Gen. Sherman described on the march to the sea, or whether they were the result of individual wickedness of individual people: as to my mind there is a fundamental difference. The one we ought to put down as a plague.

Senator NELSON. You are insulting Gen. Sherman's Army. They never killed any women or children. It is an insult to compare them with the Germans. Do you understand that? It is an insult to compare Sherman's army with the German Army in Belgium in 1914. Sherman's army, whatever else it may have done—it may have destroyed lots of property, but they never killed any women or children in cold blood. Is not that so?

Senator OVERMAN. That is so. I lived down there.

Mr. VON MACH. Senator, did I give the impression in my reply to the Senator that I wished to compare Gen. Sherman's army? It was not my intention to do that in the least. I tried to point out, Senator, that I believe that there is a fundamental difference between willful atrocities committed by individuals, not as army, and the results would naturally follow in the train of any great war, and that was all I wished to say, and I wanted to be perfectly open and honest with the Senator who asked me the question.

Senator NELSON. But do not for a moment compare the German Army in Belgium with the American Army during the Civil War. The Americans are not that kind of people.

Mr. VON MACH. Senator, I did not compare them, and is it very fair of you to charge me with having compared them, when I told you very clearly that that was not my intention?

Senator NELSON. Well, what do you think of the case of Capt. Fryatt?

Mr. VON MACH. Senator, would you permit me first to finish my statement, and then ask me questions?

Senator NELSON. This goes to the value of your statement. Will you do you think about the execution of Capt. Fryatt?

Mr. VON MACH. I am not familiar with all the details, Senator. Will you tell me the details?

Senator NELSON. Are you waiting for the State Department to say that?

Mr. VON MACH. No, sir.

Senator OVERMAN. About the shooting of that woman, Mrs. Cavell?

Mr. VON MACH. I think that in the case of any woman, whether a country believes her to be a spy or not, clemency should always be exercised.

Senator NELSON. Did you not know that she was not convicted of being a spy? She was convicted of helping Belgian soldiers cross the line. She was not convicted of being a spy. She was convicted of helping Belgian soldiers; that is all. That was not spy work.

Senator WOLCOTT. Well, Doctor, there is one act charged against the Germans of which I think you can have no doubt concerning the facts. I am going to recall it to your mind and ask you if you have ever condemned that, to wit, the invasion of Belgium? Did you ever denounce that? There is no doubt that Germany invaded Belgium contrary to treaty obligations and all the rights of a free people. Did you ever condemn that?

Mr. VON MACH. I did not.

Senator STERLING. What was your view in regard to that?

Mr. VON MACH. I have expressed my views at such great length in my writings, Senator, that——

Senator STERLING. I have not seen your writings.

Mr. VON MACH. Can you not later permit me to submit my writings in answer to that rather than to make a brief statement here?

Senator STERLING. I would not want to read through your writings in order to find out what your idea was in regard to the invasion of Belgium. I think you can state that in a very few words.

Mr. VON MACH. Senator, what you are trying to get at in this committee, I understand, is to investigate any evidence of vicious pro-German propaganda. You do not desire to constitute yourselves a committee of inquisition on the views and opinions of individuals.

Senator OVERMAN. But you volunteered to come here as a witness. We have a right to ask you questions?

Mr. VON MACH. Senator, if you desire me to go at length into that question, I am perfectly ready to answer what I think of the invasion of Belgium.

Maj. HUMES. Mr. von Mach, did you make any effort to investigate that situation?

Mr. VON MACH. Of Belgium?

Maj. HUMES. Yes.

Mr. VON MACH. I made great efforts.

Maj. HUMES. What efforts did you make?

Mr. VON MACH. The international aspects?

Maj. HUMES. The invasion of Belgium.

Mr. VON MACH. The international aspects of it, or the facts?

Maj. HUMES. The facts and the German viewpoint.

Mr. VON MACH. Major, the only means of investigation, the actual sources that were at my disposal, were to read all the papers in this country, and in addition, to read as many of the European papers, both French and German papers, as I could get hold of.

Maj. HUMES. The only information that you sought then was from the public prints?

Mr. VON MACH. From all the various countries, and in addition I of course got as much information as I could from people who came here. Whenever a newspaper reporter came from abroad, I investigated as much as possible. I consulted Dr. Dernburg and others.

Senator WOLCOTT. You mean you studied as to the propriety of the Germans' conduct in the invasion of Belgium?

Mr. VON MACH. It seemed to me a tremendous mistake.

Senator WOLCOTT. You did not have to go very far to inform yourself on that. Why did you not consult the works of Von Bethmann-Hollweg.

Mr. VON MACH. I found that in this country Von Bethmann-Hollweg's works are not taken as the final word on questions of ethics.

Senator NELSON. But there are a few things you knew. You knew that there was a treaty on neutrality with Belgium, did you not?

Mr. VON MACH. You refer to the treaty of 1837?

Senator NELSON. I refer to both treaties, that one and the older one.

Mr. VON MACH. That is the older one. The other one was 1870.

Senator NELSON. Did you not know of the treaty guaranteeing the neutrality of Belgium, and that the Prussians signed it?

Mr. VON MACH. I knew that.

Senator NELSON. You knew that the Germans had invaded Belgium?

Mr. VON MACH. I knew that.

Senator NELSON. Did you need to consult the papers to get at those two facts?

Mr. VON MACH. I did, sir. The major asked me whether I had tried to investigate the question of the invasion of Belgium, and I asked him whether he meant the question of the right or wrong from the point of view of international law, or the conduct of the invasion, and he said both. For the conduct of the invasion I consulted all the available newspapers and all the available sources, the people who had come over from there.

Senator OVERMAN. After consulting them all, what is your opinion?

Mr. VON MACH. I think that was the greatest mistake that Germany could have made.

Senator NELSON. Is that it; simply that it was a mistake?

Mr. VON MACH. Sir?

Senator STERLING. From a military and tactical standpoint, you mean?

Senator WOLCOTT. Did you not think that it was a great and crying wrong, a material wrong?

Mr. VON MACH. If I should answer——

Senator WOLCOTT. I think the Kaiser himself would now admit it to have been a mistake.

Mr. VON MACH. If I should answer that question right off now, without any qualification, I would get myself out of a momentarily difficult position, and you Senators would probably be more friendly to me, in your feeling toward me. But it would not represent the actual whole truth, and I may be entirely in error about that, but to my mind the whole war game which has been played in this world, not only in this war, but for centuries past, has been so wicked that everybody who takes part in that national game, or who starts it in any way, deserves so much condemnation that to pick out any particular part of it is perfectly ridiculous.

Senator WOLCOTT. Do you think it is ridiculous to pick out the invasion of Belgium as a thing justifying comments to the effect that Germany did a great wrong? Do you think that is ridiculous?

Mr. VON MACH. Senator, if I should now say "yes," I should be failing in respect to you, because you just picked it out as such; and of course you picked it out as one question to ask me.

Senator WOLCOTT. Do not have any regard for my feelings. I am interested in your point of view, that is all.

Mr. VON MACH. My point of view is that if you want to investigate that question you have to investigate the further question of the whole problem as the problem appeared to the people at that time. Now, if the thing appears to me from a certain point of view, I may be utterly wrong; I may be utterly mistaken. Now, if I am the friend of that person who so happens to act, according to the problems as they appear, it seems to me that it is so much better to try to avoid the actual underlying misunderstanding, and at this time, when really the whole of America has come to a definite conclusion, and I have accepted that conclusion, sir. So long as we were not in war I tried to prevent it if I could, by trying to center the attention upon the erroneous views and the different aspects of the problems in Europe. The moment America had finally spoken its word, and had said "We condemn," why that very moment I accepted the condemnation of my country of the past acts, and I no longer questioned them.

Now, you asked me about what I had done previously, in 1915 and 1916. That is an entirely different matter; but if I answer your question outright I may give you a different impression of what I really am, and I do not want to do that.

Senator OVERMAN. You do not seem to have any opinion of the ruth of those atrocities. You doubt them?

Mr. VON MACH. Senator, I doubt the atrocities so far as they are committed by individual Germans. I doubt them, but it would not have occurred to me to raise the question now again, because we are still at war, and that is a question which can easily wait. You Senators do not know the German people the way I happen to know them, and I do not believe the German people are that kind of people who will commit these individual atrocities as they have been described to us. If you want me to say, if they have been actually committed, if those atrocities have been actually committed, I believe here is not one of you gentlemen on the other side of the table who will condemn them so lastingly and who will be so unwilling and so refusing in condoning them as I shall be.

Senator NELSON. There is one thing that determines me, Professor, and that is that up to the time we entered the war you were willing to condone everything that the Germans had done in the war.

Mr. VON MACH. No, Senator.

Senator NELSON. Up to that time, and that seems to have been a dividing line.

Mr. VON MACH. It is a dividing line.

Senator NELSON. Yes; up to that time you were willing to condone everything that the Germans did.

Mr. VON MACH. No, Senator; it was not necessary to condone any of the actions that the German army had committed during this

war. There were a thousand people to do that. It was not necessary to condemn them.

Senator NELSON. Was it not necessary to condemn their invasion of Belgium or the sinking of the *Lusitania*?

Mr. VON MACH. May I be permitted to go on with this statement?

Senator STERLING. Excuse me. I want to ask you a question or two. Now, you are a German?

Mr. VON MACH. Do you speak racially or nationally now, sir?

Senator STERLING. Well, racially and nationally—both.

Mr. VON MACH. Well, nationally I am an American citizen.

Senator STERLING. Yes.

Mr. VON MACH. Racially—

Senator STERLING. Just now. And racially?

Mr. VON MACH. Yes; I am an American citizen, and I hope until my dying day.

Senator WOLCOTT. You are of German ancestry and of German birth both, born in that country?

Mr. VON MACH. Yes.

Senator WOLCOTT. In what part of it?

Mr. VON MACH. In northern Germany.

Senator WOLCOTT. Prussia?

Mr. VON MACH. In Pomerania.

Senator WOLCOTT. Is that a part of Prussia?

Mr. VON MACH. Pomerania is a part of Prussia; yes, sir.

Senator STERLING. You keep saying that there were plenty to blame Germany and to point out the atrocities committed by German soldiers, and you say there were plenty to condemn the invasion of Belgium, and you make that an excuse for yourself not condemning the action of Germany. Do you think that is a sufficient excuse, considering your nationality, your German birth and descent, your education, and the influence you might have exerted if you had protested against these wrongs?

Mr. VON MACH. Senator, I am going to quote, two pages on, from this statement from the preface of one of my books, and I believe that preface will answer your question fully. Will you permit me to defer that, only to state this?

Senator STERLING. Oh, yes. I will let you answer it in your own way.

Senator WOLCOTT. Let me ask a question which is somewhat off this line. I want to ask it before I forget it. You are familiar with the so-called Delbrück law?

Mr. VON MACH. Yes.

Senator WOLCOTT. Did you ever avail yourself of the provisions of that act?

Mr. VON MACH. No, sir; and I will volunteer further, in reply to that, that when I became an American citizen, afterwards having heard of that, I took special pains to find out just what this so-called Delbrück law was, and whether by any chance there should be anything in it, from the German point of view, as vitiating my American citizenship, and I wrote to the then German consul in Boston and I asked him to send me a copy of this law, and I studied the law very carefully, and I have come to the conclusion that there is in that law absolutely nothing that could possibly be construed as giving double citizenship with America. If you wish to go into

that whole subject, you have to look at it from the European point of view.

Take a Swiss citizen. Switzerland does not recognize the possibility of any Swiss ever becoming a different citizen. For instance, if a Swiss becomes a United States citizen in this country, and he returns to Switzerland, he is considered a Swiss citizen. Great Britain permits her citizens living across the ocean to become citizens in other countries, and when they return back again to Great Britain, after they have taken up their abode definitely in Great Britain they are *eo ipso* again British subjects.

When the treaty was published between Great Britain and France—a similar treaty to the one between our country and the other co-belligerents—allowing the various countries to enroll in their armies citizens of the allied countries who did not volunteer for service in their own country, there was a definite clause in which allowance was made, or in which provision was made, how things should be treated in the case of people claiming both British and French citizenship.

Now, this Delbrück law, which has been so misunderstood in this country, is the law which would make it absolutely impossible for a German who has become a citizen of the United States to come back to Germany and then claim, after a little while, to be a German citizen.

Senator STERLING. I was going to say, Mr. von Mach, I have an altogether different understanding of the Delbrück law. The Delbrück law provides, as I understand it, that a German citizen, on making a certain declaration before a certain official in Germany, can then retain his citizenship in Germany and acquire citizenship in any other country.

Senator WOLCOTT. Or by a declaration before a German consul in his country.

Senator STERLING. Yes.

Mr. VON MACH. May I call attention to the fact that this Delbrück law—I should have brought a copy of it if I had thought it would interest you—consists of several sections, and that there are entirely different provisions for the countries with which the German Empire has treaties? The provision to which you have referred, Senator, had no reference to countries with which the German Empire had a treaty of mutual naturalization.

Capt. LESTER. Here is a copy of the Delbrück law, if you would like to have it.

Senator OVERMAN. Did you know von Bernstorff?

Mr. VON MACH. I knew him.

Senator OVERMAN. Did you know Dr. Dernburg?

Mr. VON MACH. I did.

Senator OVERMAN. He was your friend?

Mr. VON MACH. I believe I saw the man three times when he was here. He did me the honor of thinking very highly of me, and I had a great admiration for him when he was the secretary of colonies in Germany.

Senator OVERMAN. Did you know Dr. Albert?

Mr. VON MACH. Very little, Senator. I noticed a statement in the Boston Transcript that a witness here had said before you that I had

been associated with Dr. Albert. I never was associated with him. I knew him very slightly.

Senator OVERMAN. How was it with regard to Dr. Fuehr?

Mr. VON MACH. I knew Dr. Fuehr a little bit better.

Senator OVERMAN. So that you had constant communication and correspondence with German officers?

Mr. VON MACH. Yes. It was a perfectly natural thing for me to do—to be in touch with them. I inquired for accurate information, and Dernburg, I thought and I knew, had come to this country with as much accurate information as possible, and I desired any of the statements I made in print to be absolutely accurate; and to give you an instance, for instance the German Government published in the North German Gazette, which is the official gazette, statements to the effect that the Belgian chargé d'affaires had sent a report to his home government, in duplicate, one copy going through the neutral countries of the north and the other going to Germany, and that when war began this one communication was captured in Berlin, and the German Government published that. Now, I had nothing to go by except the newspaper account of this published statement in the semiofficial gazette, which was captured in Belgium and the German Government published that. Now, I had nothing to go by except the newspaper account of this published statement in the semiofficial gazette. What more natural for me when I wanted to try to find out the truth, than to write to Dr. Dernburg, "This happened before you left Germany. Can you inform me whether, on your own honor, that thing is true?" And I had communication of that kind a great many times with a great many of these gentlemen.

Senator NELSON. Were you acquainted with Von Papen?

Mr. VON MACH. Very slightly.

Senator NELSON. You met him?

Mr. VON MACH. I met him.

Senator NELSON. Were you acquainted with Boy Ed?

Mr. VON MACH. I met him once.

Senator NELSON. When did you first come to this country?

Mr. VON MACH. In 1891.

Senator NELSON. When did you become naturalized?

Mr. VON MACH. In my statement which I read before you came here I said—

Senator NELSON. I was not here, Mr. von Mach. I am sorry that I was not.

Mr. VON MACH. I said that I gave up my allegiance to my former sovereign, the German Emperor, in 1914.

Senator NELSON. Not until then?

Mr. VON MACH. May, 1914—no.

Senator NELSON. And you came here in what year?

Mr. VON MACH. In 1891, sir.

Senator NELSON. You were here 23 years?

Mr. VON MACH. Yes.

Senator STERLING. Now, if you will permit me, Mr. von Mach. I will read a section from the Delbrück law, although it does not appear in this pamphlet as the Delbrück law. It seems to be the German naturalization law up to 1913; but here is a provision that

very similar to, if not in the exact language of, the Delbrück law, which, as I understand, was enacted January 1, 1914. [Reading:]

Citizenship is not lost by one who, before acquiring foreign citizenship, has secured, on application, the written consent of the competent authorities of his home State to retain his citizenship. Before this consent is given, the German consul has to be heard.

I think that is the exact language of the Delbrück law.

Mr. VON MACH. May I read the whole? Is not the naturalization law there?

Senator STERLING. That purports to be the German naturalization law of 1913. There is no date to that, but the Delbrück law, as I say, was passed in January, 1914.

Senator OVERMAN. You were naturalized after the Delbrück law?

Mr. VON MACH. Apparently.

Maj. HUMES. Did you write frequently to Dr. Dernburg and Dr. Freund on the subject?

Mr. VON MACH. I did; on all kinds of subjects, asking for information.

Maj. HUMES. Did you write to Dr. Albert at any time?

Mr. VON MACH. Yes, sir.

Maj. HUMES. In 1914 you were writing a book, were you not?

Mr. VON MACH. Yes, sir.

Maj. HUMES. On "What Germany Wants"?

Mr. VON MACH. Yes, sir.

Maj. HUMES. Was that published?

Mr. VON MACH. Yes.

Maj. HUMES. At that time did you have any convictions on the Belgian question—the question of the invasion of Belgium?

Mr. VON MACH. You mean from the point of view of international law?

Maj. HUMES. From the point of view of the author of that particular publication.

Mr. VON MACH. Well, yes; because I treat that subject very fully in that book.

Maj. HUMES. Do you justify the invasion of Belgium in that book?

Mr. VON MACH. Yes and no.

Maj. HUMES. Well, the portion that is "yes," what was your authority for that?

Mr. VON MACH. The various treaties.

Maj. HUMES. Is it not a fact that you wrote to Dr. Albert and asked Dr. Albert for information that would make it possible for you to state the German point of view, and to find a reason that would be acceptable to Americans, that you had intended to dodge the Belgian question, but that the publisher wanted the Belgian question covered, and therefore you were seeking information as to how you could best justify it?

Mr. VON MACH. I should say, from my recollection, that I did not; but I am very ready to tell you as I remember the thing now. Dr. Albert was the nephew of Prof. Kuno Francke, of Harvard, and when I had decided to write this book, "What Germany Wants," I discussed that with Prof. Francke, and Prof. Francke suggested that before I published the book it would be very desirable for me

to have an interview with his nephew, who was thoroughly familiar with all the various questions, and he arranged an interview at his house between Dr. Albert and me. When Dr. Albert arrived we discussed the matter together, and I gave him the sources of my information. I remember distinctly that Dr. Albert said, "How ridiculous for you to ask me for information! You know very much more about the subject than I; and could you not give me some of the references which you have used to work up this case?" And that I did.

Maj. HUMES. He did not give you any references, then?

Mr. VON MACH. So far as I remember he did not give me the references, but I gave them to him.

Maj. HUMES. What was the purpose of this book you were publishing at that time?

Mr. VON MACH. Well, sir, will you permit me——

Maj. HUMES. Let us finish this feature first.

Mr. VON MACH. The purpose of that book is entirely expressed in the preface of the book. Will you not permit me to lead up to that? There is just one page in between.

Maj. HUMES. Yes.

Mr. VON MACH. I had just been saying that my activities were divided first into very clearly defined periods. I had read three of those, and the fourth was the period since the declaration of war up to the present time, when I have devoted most of my energy to farming, and to watching the course of our public servants with regard to their faithful observance of their oath to the Constitution and calling the attention of the proper authorities to any infractions coming under my observation.

The dice box of fate having brought my name to the fore early during the European War, I have, of course, come into contact during the past four years with a host of people, both personally and in correspondence. In all these intercourses I have only twice met with people whose propositions seemed to me to be of an illegal nature, and both times I had the feeling my callers were Secret Service agents, intent on laying a trap for me. I sent the men sneaking. In neither case had a proposition been presented to me so fully that a denunciation of my interviewers to the proper authorities could have done any good.

Senator OVERMAN. Did you find anybody violating the Constitution? You spoke about that.

Mr. VON MACH. Yes, sir; I believe so.

Senator OVERMAN. In what way?

Senator WOLCOTT. Arresting people for talking, and such things as that?

Mr. VON MACH. No, sir. That is one of the subjects which I am perfectly prepared to take up in detail. I thought it was understood, Senator, that I should be permitted to read my statement first, and then take up the various parts, without question.

Senator WOLCOTT. Well, go on.

Mr. VON MACH. For the rest I am very happy to say that no illegal propositions have ever been brought to me, and that no attempt has ever been made to interest me in any illegal proposition. While my firm determination to hew straight to the line, and to have

all my activities open and above board, was known to my friends, it is hardly believable that strangers were always familiar with it, especially in view of the attempt of a part of the press to give me another character. Personally, therefore, I can not give credence to the stories of an illegal, disloyal, and pro-German propaganda in this country, carried on by American citizens.

The spirit of my writings is expressed in the prefaces to two of my books, "What Germany Wants" and "Germany's Point of View," from which I quote briefly as follows. This is from "What Germany Wants":

Jointly they (i. e. former Frenchmen, Germans, Russians, and Englishmen of whom a few years in the clarifying atmosphere of America have made friends) pray that the present war may not be carried to such a pass that an early and honorable peace becomes impossible for any one of these great nations. Is it asking too much that America may be vouchsafed to do for their respective native lands what the American institutions have done for them individually, help them to regard each other at their true worth, unblinded by traditional hatred or fiery passion? Since war is generally only the culmination of many grievances and misunderstandings, the friend who will give more time to a study of the true aims of the contestants than to their claims and counterclaims in their moments of heated passion, is likely to be most serviceable. May there come out of this terrific struggle ways and means of preventing similar tragedies in the future, not by laws and regulations, but by a better understanding and a higher morality of the peoples of the world. And may America, who has adopted the sons of so many nations, lead the way and gain the gratitude of mankind.

It is this book, by the way, expressing thoughts of this kind, and at the time of its publication receiving the unstinted and spontaneous praise of Theodore Roosevelt, which, during the absence of Secretary Baker in France, was withdrawn from the camp libraries as being seditious and pro-German propaganda. The propaganda consists only in this, that an American citizen of German birth dared to express the thoughts of America, accepted to-day by the whole country, so far as it is truly American, as early as four years ago.

Senator NELSON. That sounds a good deal like Norman Angell's book about the "Great Illusion."

Mr. VON MACH. I am a great admirer of Norman Angell.

Senator NELSON. Yes; I can see that.

Maj. HUMES. That completes the preface, does it not?

Mr. VON MACH. That completes the preface to that book, sir.

Maj. HUMES. As I understand that preface, the purpose of this book was to support American ideals and American purposes, and preserve the integrity and peace of America. I gather that was the substance of it?

Mr. VON MACH. The purpose of the book—Major, I do not think that you yourself believe that what you have just said is a fair paraphrase of the purpose as I had expressed it here.

Maj. HUMES. Well, in a rough statement I think it is, as I understand it. It was purely American?

Mr. VON MACH. Sir, you know that your questions will be printed broadcast and that my statements on which they are based will very likely not be printed broadcast.

Maj. HUMES. I think no question will be printed unless there is an answer to the question. I assume that is a newspaper practice that is generally adhered to. Do I understand you to say that the

purpose of this book was a purpose friendly to America and in the interests of America?

Mr. VON MACH. Distinctly.

Maj. HUMES. That is a fair statement, is it not?

Mr. VON MACH. That is a fair statement.

Maj. HUMES. All right; now that is a fair statement.

Mr. VON MACH. May I add to that statement, Major?

Maj. HUMES. What, sir?

Mr. VON MACH. May I add to that statement?

Maj. HUMES. If you want to explain your answer, you certainly have a right to.

Mr. VON MACH. What I mean to say is, it was distinctly in the interest of America, as I saw it, to understand the points of view of the several belligerents.

Maj. HUMES. On the theory that it was good for America to know the truth?

Mr. VON MACH. Yes.

Maj. HUMES. I show you a letter and ask you if that is in your handwriting. [Handing the witness a letter.]

Mr. VON MACH. Yes.

Maj. HUMES. Is that a letter that you wrote to Dr. Albert?

Mr. VON MACH. It looks so.

Maj. HUMES. I will read the translation of that letter and ask you to follow it, and tell me if this is a fair translation:

MY DEAR COUNCILLOR: I have just been discussing with your uncle, Professor Franke, a book which is to appear in the middle of October with Little, Brown & Co., Boston. The title is, "What Germany wants."

I have tried to present Germany's wishes for her future and keep aloof as far as possible from all disputed questions. People here consider Germany "dangerous," because they do not know her, but we do not make her any further or any better known by simply trying to prove that the other countries which they think they understand better, are still more "dangerous."

My book is pacific in purpose, and God grant that I have succeeded in contributing my bit to get more friends here for our beloved Germany.

After a final conference with the publishers I have time until Monday to make some slight additional changes. Your uncle suggested to me that I address myself to you since you possibly would have material which has escaped me, and which would exactly fit in this book.

I had hoped that I could leave out the Belgian question, but I encountered opposition on the part of the publishers. Are you in possession of any proof whatever that can explain this violation of treaty in a way acceptable to Americans?

I should be obliged to you for suggestions of any sort, especially, too, for a truthful explanation why a Zeppelin dropped bombs on Antwerp.

Since my time is extremely limited, I should be grateful if you would reply at once, even if possible material cannot follow until later.

With German greetings,

Faithfully yours,

EDMUND VON MACH.
48 Shepard St., Cambridge, Mass.

SEPT. 29, 1914.

Is that a fair translation?

Mr. VON MACH. That is a perfectly accurate translation, Major.

Maj. HUMES. In view of the preface in your book, how do you explain that letter?

Mr. VON MACH. I think the letter explains itself, Major.

Maj. HUMES. I think it does, too. I am asking you to explain the preface, in the light of that letter.

Mr. VON MACH. It seems to me that it is exactly—you see in that letter my desire to get actual facts. As a matter of fact the treaty I looked up afterwards in a book of which I got possession in the Boston Public Library, *The Map of Europe by Treaties*, and instead of accepting what had so frequently merely been told, I investigated the treaty in itself exceedingly carefully. I asked Dr. Albert about this question, which I did not remember now, about the dropping of a bomb, of which we had heard, on Antwerp. That has been a problem which has troubled me at all times. I was exceedingly troubled by the dropping of bombs in the fall of 1914 on Paris, and it was represented in one of the papers as “the mischievous dropping of bombs on a crowd of churchgoers.”

Maj. HUMES. In your works did you justify or condemn the dropping of bombs in Antwerp?

Mr. VON MACH. My dear sir, I felt when I read that that I did not know the German people, that the German people, since those days when I was there, had entirely turned around, were entirely different; and then I saw another newspaper account of it, and that other newspaper account of the incident said that the Germans had tried to drop a bomb on the Eiffel Tower and in that way destroy the connection by air—that was the *Boston Transcript* which said that, which was surely not especially friendly to Germany—and in that way destroy the air connection between Paris and St. Petersburg. Now, if that was the purpose of dropping a bomb on the Eiffel Tower, that is something I can understand. The purpose of dropping bombs on peaceful Sunday people is something that is entirely beyond me, and if I had believed that I should never have written one word, or raised my voice ever.

Maj. HUMES. Did you believe that they were dropping bombs in Antwerp at the time you wrote this letter?

Mr. VON MACH. I had heard the account of it.

Maj. HUMES. In this letter you accepted it as a fact, did you not, and asked for a truthful explanation of it?

Mr. VON MACH. I wanted to know a truthful explanation of it.

Maj. HUMES. Did you ever get any explanation from Dr. Albert?

Mr. VON MACH. I do not remember. I believe not.

Maj. HUMES. You got no explanation?

Mr. VON MACH. I believe not.

Maj. HUMES. Did he furnish you any data on the subject of Belgium and the violation of Belgium?

Mr. VON MACH. No. As I told you, Major, I had not remembered that I wrote to Dr. Albert, but the substance of what I remember is that the suggestion came from Prof. Francke. That is perfectly so.

Maj. HUMES. Did you make any search of your files to see if you had any letter from Dr. Albert?

Mr. VON MACH. I had not at this time. I searched through my files, but, you see, that letter was written in longhand during 19——

Maj. HUMES. Did you receive a letter from Dr. Albert?

Mr. VON MACH. No. His only response to me was the interview, so far as I remember, which we had at Prof. Francke's.

Maj. HUMES. In spite of this changed sentiment or the changed heart and mind of the German people, in this letter you say that your purpose in writing that book is in order “to get more friends for our beloved Germany.”

Mr. VON MACH. Yes, sir.

Maj. HUMES. If your viewpoint had changed, why were you still seeking friends for Germany?

Mr. VON MACH. I was seeking friends for Germany for the very simple reason that I pointed out in this preface here, that I believed the United States, by being friends of both sides, would make it possible to stop the war very early.

Maj. HUMES. Now, you say that you never got a reply to that letter. I will show you a carbon copy of a letter, and ask you if that is not Dr. Albert's reply to that letter, to you? . [Handing a letter to the witness.]

Mr. VON MACH. I dare say that is, because he says, "I shall come to Cambridge"; yet, as I told you, the only thing I remember about it is my interview with Dr. Albert.

Maj. HUMES. With your recollection refreshed, you think you did get a reply to that letter?

Mr. VON MACH. Apparently. I remember my interview with him, but I do not remember this letter.

Maj. HUMES. That letter purports to be in reply to "your kind letter of September 29."

Mr. VON MACH. Yes.

Maj. HUMES. Did you not receive that letter from him?

Mr. VON MACH. Undoubtedly I received it, but I have no recollection of it.

Maj. HUMES. See if this is not a fair translation of that letter:

45 BROADWAY, NEW YORK CITY, October 1, 1914.

Professor EDMUND VON MACH,

48 Shepard Street, Cambridge, Mass.

MY DEAR PROFESSOR: In reply to your kind letter of September 29, I have the honor to inform you that I shall come to Cambridge tomorrow evening and that I shall therefore be at your disposal for a conference on Saturday morning. I should be pleased if I can be of assistance to you in the final arrangement of the text of your book through furnishing material that would be favorable to Germany.

Mr. VON MACH. Excuse me; may I interrupt you there?

Maj. HUMES. Yes.

Mr. VON MACH. That is not an accurate translation.

Maj. HUMES. How should it be modified?

Mr. VON MACH. "Germany" is not in there, and the sense of the translation is that it would be of assistance to the book.

Maj. HUMES. What is this back here? [Indicating.]

Mr. VON MACH. Oh, I beg your pardon. Will you be good enough to read that again?

Maj. HUMES (reading):

I should be pleased if I can be of assistance to you in the final arrangement of the text of your book through furnishing material that would be favorable to Germany.

Mr. VON MACH. Well, that is twisted around.

Maj. HUMES. Well, it is there?

Mr. VON MACH. It is there.

Maj. HUMES (reading):

As for the question respecting the violation of Belgian neutrality, I am sending you today the articles by Burgess which, in my opinion, treat this question with thorough accuracy. If you are able to agree with Burgess' understanding of the matter, this would, in my opinion, only help the cause.

The answer to your question why a Zeppelin dropped bombs on Antwerp, seems to me comparatively (relatively) easy. Antwerp is a fortified city which is exposed to bombardment by the enemy. It makes no difference whether the bombardment takes place from the air, from the water or from land. That the wounding of non-combatants, indeed even of women and children, cannot possibly be avoided in connection with such bombardment, is obvious. The legal aspect is likewise established as wholly free from objection. The Hague Conference was occupied with the question whether cities can be bombarded from airships. No agreement was reached in the matter. France and Germany have, rather, reserved the right to bombard fortresses (fortified cities) from the air.

The words "fortified cities" are in parenthesis.

Mr. VON MACH. There is no parenthesis here.

Maj. HUMES. Is there any punctuation? Is it set forth between commas, "fortified cities"?

Mr. VON MACH. No, sir.

Maj. HUMES. Without punctuation, then?

Mr. VON MACH. Without punctuation. But that is a very minor matter.

Maj. HUMES (reading):

France made use of this right in an extensive degree at the very beginning of the war by bombarding even open towns from aircraft. England herself has recently had bombs dropped on Cologne with the purpose of hitting a Zeppelin shed. This seems to have been successful. Any expert, however, would have to declare that it is pure accident if on such an occasion other buildings or human beings are not hit. England has done this, although in the international agreement at that time she pledged herself to refrain from bombarding from the air.

It is my hope that these brief statements will answer your purpose. Perhaps one or another can be added in our conversation. With cordial regards,

Yours,

Mr. VON MACH. Yes; that is an accurate translation. The reason probably why I did not remember having received that letter was that I had my interview with Dr. Albert, of which I spoke before, immediately on top of that, and I remember my talking with him in the interview rather than in the letter which he had sent me.

Maj. HUMES. Now, this same book—who were the publishers of this book, Doctor?

Mr. VON MACH. Little, Brown Co.

Maj. HUMES. Was there any one interested in it except you and the publishers?

Mr. VON MACH. No one.

Maj. HUMES. Did you consult Mr. George S. Viereck about the publication of this book?

Mr. VON MACH. No; I asked Mr. Viereck later on to push the sale of the book.

Maj. HUMES. Did you not ask Mr. Viereck to assist in the publication and circulation of the book, both?

Mr. VON MACH. Not to my knowledge.

Senator OVERMAN. Did you get any financial help toward the publication of it?

Mr. VON MACH. No, sir.

Maj. HUMES. Did you have that matter up with Dr. Dernberg too?

Mr. VON MACH. No, sir.

Maj. HUMES. I call your attention to a letter written by George S. Viereck to Dr. Albert.

Mr. VON MACH. What date, please?

Maj. HUMES. On December 7, 1914, one paragraph of which is as follows:

I received a letter from Dr. von Mach, which I consider to be a matter of grave importance. Mr. Von Mach wants an answer at once. I am of the opinion that Dr. Dernberg would certainly approve of publishing this book as Dr. von Mach suggests. I have wired to Dernberg. However, I do not wish to take any step without at least your approval.

Now, will you explain what was the basis of that communication?

Mr. VON MACH. I can explain definitely that it has no reference to any of my books. I do not remember to what it has reference.

Maj. HUMES. Did you write to Viereck with reference to the publication of some book or some article?

Mr. VON MACH. There have been a great many German books that I would have liked very much to see published in this country, and really I have not the least recollection of that, except that I can tell you most positively and definitely that it can have, and has, no reference to any of my books.

Maj. HUMES. May I ask you why you were so anxious to see some of these German books printed in the United States?

Mr. VON MACH. For the simple reason that I believed it was most desirable in this country to get the full point of view of the people on the other side, and when two are fighting and you would like to have the third one make peace, as I so ardently hoped that the United States would bring about peace before the war had gone very far, I believed that the greatest thing that I possibly could do was to center the attention not upon the claims and counterclaims at the moment of heated passion, but to center the attention upon the aims of the people at the time when they were actually sane. It seems to me when people go to war they are not entirely sane. And that was my purpose. I am exceedingly sorry, Major and Senators, that I do not remember what this passage refers to, but my books have been published. You see that is in September. I published this book with Little, Brown & Co., and you can look up their records and everything at Little, Brown & Co.; and I published another book the next year, in 1915, with the McClure Co.

Senator OVERMAN. What was the title of that book?

Mr. VON MACH. Those were the collected articles that I had written in the Transcript before, and it was published under the title of "Germany's Point of View." You see, Senator. I have never desired to sail under false colors. It was a poor title, because it naturally appealed only to those people who were more or less in favor of that view, but I did not want to claim, even before the American people, that I knew it all. I know that this is the right view. I wanted to publish it for exactly what I believed it was, presenting it calmly, not attacking others, with good will towards people; to present what the German people had felt before this war, what the problems were as they had appeared to them; and I thought that this great, big country which so quickly makes friends out of these various races who come here, would be able to make friends also of their nations, and that was my very great hope in doing that.

Maj. HUMES. Did you not in an article make an assertion that the atrocities of the German soldiers in Belgium were not as atrocious-

as the cruelty of the American soldiers in the Philippine Islands? Was not that statement contained in one of your articles in a Boston paper?

Mr. VON MACH. Sir, since you ask the question—and you probably have the paper before you there—I suppose I must have made a statement which leads you to ask that question. If you ask me whether I would still consider such a statement to be correct and fair and in the interest of the cause, the way I wanted to promote it, I should surely say no. I have never claimed that I am infallible. But if you will go through practically all of my writings and all my statements, from A to Z, you may find that I have fallen short every now and then, and I would regret that. I think throughout the whole you will find that I have kept this one definite aim before me.

From the preface of the other book, in which I had gathered the articles previously published in the Boston Transcript, I quote as follows:

The purpose of these articles was not to comment on the progress of the war, but to go to the root of things, and to explain, if possible, why those who had not lost faith in Germany differed from many of their fellow citizens in their interpretation of the relative merits of the causes of the several belligerents. These articles, therefore, contain a wealth of economic data, historical documents, and individual interpretations. The author had one more object in mind in collecting these articles in book form. There has been much bitter feeling against the American press among the pro-Germans in this country and among the Germans in the fatherland. Without, unfortunately, being able to affirm that Germany has received fair treatment, the author wishes to bear testimony to the fact that the spirit of fair play has nevertheless been more prevalent here than in some other neutral states. The author had an absolutely free hand (in preparing his articles for the Boston Transcript) and his articles were printed as he had written them. This implies a decree of generosity which it would be difficult to duplicate outside of the United States of America.

From the principles and sentiment expressed in the quotation from the prefaces just cited, I have not consciously deviated in my many writings and lectures since I first penned them in 1914 and 1915, respectively. These sentiments were American then. They are American now. And whoever fails to recognize them as American, or whoever denounces their author, without ever having read what he has said, writes himself down as to that extent un-American.

One of the greatest philosophers has said:

Under patriotism one frequently understands a mere willingness to perform extraordinary acts and sacrifices. But patriotism is essentially the sentiment of regarding, in the ordinary circumstances and ways of life, the weal of the community as the substantial basis and the final end. It is upon this consciousness present under the ordinary course of life and under all circumstances, that the disposition to heroic efforts is founded. But as people are often rather magnanimous than just, they easily persuade themselves that they possess the heroic kind of patriotism, in order to save themselves the trouble of having the truly patriotic sentiment, or to excuse the lack of it.

The attacks which have been made upon me have not been made because I have been intemperate of speech or have broken the laws of the land, but because I have obeyed the laws of the land and because the temperate presentation of my views has gained friends for these views wherever I have been privileged to appear. The danger emanating from me has not been that I uttered falsehoods illegally, but that I spoke the truth lawfully and according to the old American principle of good will toward all mankind.

Some months ago Senator Lodge declared on the floor of the Senate, according to the press, that from now on he would give the

American people the truth. I differ from the Senator only in this, that he would give to the American people the truth when it suits him, while I would give the truth to the American people always!

Another source of misunderstanding has been due to loose thinking and the vague use of the term "propaganda." Propaganda which endeavors to propagate the truth in a lawful way, and in the interest not only of one's country but also of mankind, is right and laudable. During the Civil War President Lincoln was deeply interested in American propaganda in England, and to strengthen it sent to England the cleverest American politician, Thurlow Weed, the best known constitutional lawyer, Mr. Evarts, later Senator, and the most eloquent pulpit orator, Mr. Henry Ward Beecher, not to mention other and lesser lights. In England itself there was a strong party which favored the maintenance of peace, and Englishmen constituting this party carried on an extensive campaign, a propaganda, in other words, designed to keep England out of the war. In so far as the aims of the Englishmen mentioned and of the American official propagandists, Wood, Evarts, and Beecher, were identical, their joint activities might be called American or pro-American propaganda. The Englishmen, however, took part in it only so far as they believed that they were serving the interests of their own country and of mankind.

During this investigation, and for years before, the attempt has constantly been made to eradicate the distinction which exists between the activities of foreigners sent to this country for the purpose of fostering the interests of their own country and citizens of this country, many, but by no means all, of German descent endeavoring, while it was lawful and ethical for them to do so, to assist in keeping the peace between America and the central Empires.

With the official German propaganda I have had absolutely nothing to do; and beyond the fact that I knew some of the German officials, know about as little of it as anybody. Dr. Dernberg and Count von Bernstorff, whenever I met them, expressed themselves as sincere admirers of American institutions and wished to be friends of the American people.

My own conduct has been free from all illegal and unethical associations and means. The welfare of America has been my lodestar, and I, too, may say, as Bismarck once said, "And if you point to a single moment when I have not steered by this direction of the compass needle, you may perhaps prove that I have erred; but you can not prove that I have for one moment lost sight of the weal of the nation."

Senator NELSON. Is that a quotation from Bismarck?

Mr. VON MACH. Yes.

Senator NELSON. He seemed to overlook the falsification of that telegram from Ems in 1870. Were you oblivious of that?

Mr. VON MACH. It appears to me as a very excellent quotation, sir, and that is why I used it.

Senator NELSON. But were you oblivious, when making it, of the telegram from Ems that brought on the war with France? You remember that incident, do you not?

Mr. VON MACH. I do, sir.

Senator NELSON. And you remember that in his book that he published, he admitted that he had falsified that record?

Mr. VON MACH. No; I do not remember that.

Senator NELSON. I have the book. I will loan the book to you. He admits that fact.

Mr. VON MACH. I do not remember that.

Senator NELSON. Now, you spoke of the German propaganda that was carried on here. You refer to the propaganda carried on before we went into the war, do you not?

Mr. VON MACH. Yes.

Senator NELSON. In 1914 you lived near Boston, at Harvard?

Mr. VON MACH. Yes, sir.

Senator NELSON. You were one of the professors?

Mr. VON MACH. No; I never was.

Senator NELSON. You were there, were you, in the purlieus of Harvard?

Mr. VON MACH. Yes.

Senator NELSON. Do you remember the incident of Werner Horn, a German reservist, carrying bombs through Vanceboro, Me., to blow up bridges on the boundary line? Was that German propaganda?

Mr. VON MACH. Yes.

Senator NELSON. Do you condemn that?

Mr. VON MACH. I have condemned it over and over.

Senator NELSON. Did you put that in your book?

Mr. VON MACH. No, sir; because my book had nothing to do with that. I am perfectly ready, sir, if you think any good purpose can be served by that, to put several of those things in writing and to condemn that. I am perfectly ready; but the purpose of my book was an entirely different one.

Senator STERLING. You did not condemn it in any articles you wrote for the newspapers, did you?

Mr. VON MACH. Senator, I believe that the condemnation that I expressed privately and among people was probably far more effective in stopping similar conditions, if they should have been contemplated, than anything else could have been.

That finishes the statement, which has not been so brief.

What I am especially interested in is to submit to you Senators the records of the citizens' committee for food shipment, and which has been presented to you, I believe, as vicious pro-German propaganda, and also to discuss with you and to prove to you the absolute honesty in the management of the finances of that committee.

Senator NELSON. Was that the milk committee?

Mr. VON MACH. That is the so-called milk committee.

Senator WOLCOTT. Has there been any charge at all that the funds collected for the committee were in any wise embezzled or misapplied?

Mr. VON MACH. That charge has been made apparently before your committee by Mr. Becker.

Senator WOLCOTT. I do not recall that any such charge was made.

Maj. HUMES. The statement was made before the committee that a very small amount of money was expended for the purchase of milk or for the shipping of milk to Germany; that a very small amount was spent for that purpose; and that the total funds were used for some other purpose. There was no charge of embezzlement, but I think the inference was that it was used for German purposes.

Senator NELSON. To milk the cows of this country.

Senator WOLCOTT. You want to show what you did with those funds?

Mr. VON MACH. Yes; I would like to know whether Mr. Becker or Mr. Bielaski, who made the charges, this unjust attack, will not produce those books. I haven't the books, because either Mr. Bielaski or Mr. Becker has them, and they knew perfectly well what had happened, because these books were very carefully kept, and when I accepted the position as executive chairman of that committee I made one condition, and the condition was that the members of the committee would have to raise a special fund as an administrative fund from which all the expenses of the campaign, the office rent, salaries and advertisements, should be paid, so that not one penny of the money subscribed for the particular purpose should be used for any thing else but that particular purpose.

Senator NELSON. Do you know how much money was collected?

Mr. VON MACH. I have not the books here.

Senator NELSON. Can you tell?

Mr. VON MACH. I have the approximate figures here, Senator, which I found among my papers, which show that up to about November of that year—and we stopped the active work of the committee in December——

Senator NELSON. How much did you collect?

Mr. VON MACH. Actually there was collected for the administrative fund \$11,941.96.

Senator NELSON. How much of that money was devoted to purchasing milk?

Mr. VON MACH. That was for the administrative fund. Out of that we did not spend anything.

Senator NELSON. That was used for office expenses?

Mr. VON MACH. That was used for office expenses.

Senator NELSON. What else did you collect?

Mr. VON MACH. For the food fund there was collected, according to these figures, \$18,520.93, but we were able to make milk shipments only to the amount of \$1,044.63.

Senator NELSON. Out of \$18,000?

Mr. VON MACH. Out of \$18,000.

Senator NELSON. What did you do with the rest?

Mr. VON MACH. Just a moment, Senator. When it was impossible for us to ship milk, when the presidential campaign begun, we decided that we were going to suspend activities during that time. We did not want to keep that amount of money lying inactive in the bank and since the hardships brought on in Europe, in Hungary, and in Poland were not only due to the absence of milk, but also to the high prices, the executive committee voted to inquire of all of our subscribers whether they were willing to have us establish an Empress Augusta Victoria children's milk fund and send the money abroad and ask the Empress to use it to help the poor people to get milk; and every penny of it—there may be a small balance still in the bank; I do not know whether you have seen the books or not. Either Mr. Becker or Mr. Bielaski must have those books; but every penny of that—was forwarded for that purpose, to assist poor people who, in addition to the scarcity of milk, were suffering under it.

exceedingly high prices. The expenses, every item down to a postage stamp and everything, are contained in those books, and not a penny of that has been spent for any other purpose than is indicated in the books..

Maj. HUMES. Doctor, this fund was delivered to the ambassadors of the central powers for transmittal?

Mr. VON MACH. Yes; that was the only way we had.

Senator NELSON. It was delivered to Bernstorff and Dumba?

Mr. VON MACH. Only to Bernstorff.

Maj. HUMES. All went to Bernstorff?

Mr. VON MACH. Major, that was our only way of transmitting it, and we notified the State Department, and I may say right here that the notification to the State Department came about because a fund in New York—I have forgotten the name of it—had been forwarded to Ambassador Gerard in Berlin—I believe it was \$5,000—and when they heard of the work of our committee they were willing to have half of their fund go to this fund, and I wrote to Ambassador Gerard about it and asked him if he would be good enough to add this to this fund which we had sent abroad, and thinking that Ambassador Gerard was in Berlin, I sent this letter to the State Department. I sent it open and asked them to please note the contents and forward it to Ambassador Gerard. He happened to be in this country, and so the State Department, after having taken note of it, returned the letter to me and said that Mr. Gerard was in New York and that I could communicate with him directly. Mr. Gerard very kindly acknowledged—and I have the letters here if you are interested in them—very kindly acknowledged the receipt and said that as soon as he got to Berlin he was going to add the fund just as we had asked him.

Now, your question seems to imply that this fund was going to Bernstorff to be used in this country. If it was sent to him to be used in this country, what would have happened if Ambassador Gerard had come over and said, "Here are \$2,000 which I want to add to this \$20,000"? In so far as this committee was concerned, we could not do anything else. It has been charged that this was propaganda and it has been charged that this committee was not only doing German propaganda but also political propaganda. During the months of the presidential campaign we decided not to come out in public at all, because we were afraid that anything we might say might be turned around and used as if it were propaganda. I have here the extract of a vote of the executive committee meeting in October of that presidential year. Of course, the notes of the meetings, if you desire them, are probably in the hands of the then secretary of the committee, Rev. Dr. Law. They are entirely at your disposal. This extract is from the minutes of October 25, 1916 [reading]:

FROM THE MINUTES OF THE EXECUTIVE COM. OF THE CITIZENS COM. FOR FOOD SHIPMENTS, OCTOBER 25, 1916.

Dr. von Mach presented a copy of a circular letter addressed on October 16 to all the contributors of the Funds of the Co., in which they were notified of the establishment of the Empress Augusta Viktoria Children's Milk Fund. He read a letter from Mr. ———, of Chicago who asked permission to publish the letter, which in his opinion would furnish excellent campaign

material against President Wilson. Moved by Dr. Seeligmann that Dr. von Mach be requested to inform Mr. ——— that the Citizens' Com. for Food Shipments was distinctly a humanitarian organization and if this letter was published now, it could not fail to create the impression that it was written for campaign purposes, and not in order to inform our friends of the actual state of affairs. For this reason the Executive Committee believed it unwise to publish the letter.—Unanimously carried.

The letter referred to must be at the disposal of Mr. Becker or Mr. Bielaski. When, at the end of 1916, we had come to the conclusion that there was no possibility of having an opportunity of shipping milk abroad, I suggested to the committee that I be authorized to give up the office which we had in the Woolworth Building and to discontinue our activities, and the vote was carried. I was unwilling to destroy the correspondence which we had gathered in a steel cabinet. I asked, first, the president of the committee whether he would be willing to have me deposit this steel cabinet in his house. He was rather unwilling to have correspondence which had, of course, touched politics so frequently, in his house, and I gathered from that that the other members might feel exactly the same way. I had been elected the previous November the president of the German University League, and we had offices at 225 Fifth Avenue, New York City, and I, therefore, asked the recording secretary or the executive secretary of that organization, Mr. Merkel, in order to save the expense of storage, I might be permitted to put our steel cabinet, with all our correspondence, in their office, and he said, "Certainly." There it was. Mr. Merkel was a German citizen, and when German citizens were interned Mr. Merkel was also interned, and the records of the German University League were taken either by the office of Mr. Bielaski or by Mr. Becker, I do not know which. I think, also, not knowing the difference—just one more steel cabinet—they also took the cabinet which belonged to the citizens' committee for food shipments.

Senator NELSON. You say that you were the president of the German University League?

Mr. VON MACH. For one year.

Senator NELSON. What were the purposes of that organization?

Mr. VON MACH. I think Prof. Hart testified on that, and I have a letter from Prof. Hart about that. The purpose of the league was to get those men in this country who had studied in German universities and were interested in German thought. Of course, I was not eligible as a member of that league when it was started, because I had never studied in a German university. My college training and everything was in the United States—in Harvard—and so I was not eligible as a member of that league in the first year. Then afterwards the league elected me as a member. I had absolutely nothing to do with it. Afterwards they changed it while I was in New York on the German Citizens' Committee for Food Shipments, and I was elected president of that league. I mention it incidentally so that you will know that those letters and the books have been in the possession of these gentlemen that have been testifying before you.

Referring to the papers again, you asked how much had been collected, and the answer was \$30,000; and how much was spent on milk, about \$1,000. What have we done with the rest? I really do not know. As a matter of fact, those gentlemen who have testified

that here knew where every penny of that had gone, because the books were kept with unusual care. We had a large committee, and I wanted to make it possible for every member of that committee to be able to go in at any moment into the office and see what the state of the finances was.

Senator WOLCOTT. I think Mr. Becker testified that they could not get the books; that they tried to get them from the treasurer, but were not able. I do not just recall.

Mr. VON MACH. Major, do you know who took the papers of the American University League?

Maj. HUMES. The Department of Justice, I assume.

Mr. VON MACH. In connection with those, it was a steel cabinet about the size of the cabinet there [indicating], and that cabinet contained all these letters—this letter, for instance, to this gentleman in Chicago; and in that cabinet were these books, and those books, entirely separate books, one for the administrative expenses and the other for the milk fund; were kept for the benefit of the treasurer and for the members of the committee. Daily balances were made so that if a member—if you happened to be a member and you stepped in one moment after 12 o'clock to-day you could tell the exact state of the finances.

Senator OVERMAN. What he said was that he did not know what became of it. He said he could only account, on the books, for \$500 or a thousand dollars.

Mr. VON MACH. He gave out the statement first, or the New York papers published something with the consent of Mr. Becker, that during the first six weeks \$10,000 had been collected and I had taken half and put it in my pocket.

Senator OVERMAN. I do not think he said that.

Mr. VON MACH. I took it up with Mr. Becker immediately and I wanted him to apologize, and I gave him all the information that Mr. Becker wanted; but he has been unwilling to apologize for giving out the statement that during the first six weeks \$10,000 had been taken in and I had taken half of it. Another statement given out was to the effect that when I had first taken charge of the committee I had had the circulars printed in such a fashion that all the money should be sent to me instead of to the treasury. As a matter of fact, there was not a circular that ever went out that did not distinctly state that every check should go to the treasurer; and, knowing how suspicions are apt to attach to a man in charge of a charitable fund, I arranged that I should not have the handling of one penny, and I could not draw any money on our accounts in the bank, but every dollar had to go to the treasurer, Mr. Schurz; and when he was away, a few weeks ago, they wanted to make me acting treasurer, and I refused. I would not touch a single penny, and Mr. Becker and Mr. Bielaski knew that exactly.

Now, these books that I have here I would like to submit to you, Senators. They contain official correspondence between the citizens' committee for food shipments and the President, the Secretary of State, the Acting Secretary of State, and the various parts of the executive branch of the United States Government, and I believe no greater slander could have been uttered than that these women, physicians, priests, and clergymen who formed this committee were acting as pro-German propagandists, and if there is the least doubt in

your minds, let one of your agents go through the correspondence. If there is the least doubt in your minds, if you will be good enough to call the Acting Secretary of State, Mr. Polk, with whom I became very friendly, I believe he will testify here that there is not the least suspicion attaching to the loyalty and patriotism of every one of these women, physicians, priests, and clergymen whose names are listed as members of the citizens' committee for food shipments. Senator, I am very desirous of submitting this.

Senator NELSON. Have you finished your statement?

Mr. VON MACH. I have.

Senator OVERMAN. Is there anything else you want to state?

Mr. VON MACH. I should like very much, after this is prepared for publication, to insert a little speech of our treasurer, Mr. Carl Schurz, which he delivered in favor of the movement of the committee in Boston, and I believe he has so clearly and logically explained what the purposes of the committee were that there should be very little further doubt about it.

(The speech referred to is here printed in the record, as follows:

INTRODUCTION—THE CITIZENS COMMITTEE FOR FOOD SHIPMENTS "ITS ORGANIZATION AND ITS WORK"

[By Carl L. Schurz.]

One of the traits of which we Americans can justly be proud, and one which is recognized the world over, is a readiness to help where help is needed, a willingness on all occasions to allay the sufferings of others, irrespective of nationalities or creed, and regardless of the place where the need exists. If we turn back the pages of history we will find that there has never been a flood, a famine, an epidemic or other calamity of any kind in any part of the world but that this nation has eagerly come forward with open and willing hands.

In this war too, the generous sympathy of the American people has been excelled. The sufferers of every belligerent nation have had reason to turn with gratitude to this great land, which has answered with such spontaneous liberality their call for help.

But in this war a novel situation has arisen, and an unusual problem is confronted a large number of us who are anxious to do our part. In the past the giving of help has always been a comparatively easy matter. The collection of money was practically all that was needed, for the particular necessities required, be they food or clothing, medicine or shelter, could be purchased without difficulty if the money were only forthcoming. Now for the first time, I know of, it has happened that a large number of people wish to do a humanitarian service, but are shocked to find that they cannot. The money is at hand, but in this case money is only an incident.

It was in the summer and fall of last year that it first became apparent that the poorer classes of Germany, and Austria Hungary, were suffering by reason of the rising prices of certain staple articles of food, such as rice, flour, meal, and similar things. At this time the lack of milk was mentioned incidentally with the other items.

Poor people in Germany no longer wrote to their relatives and friends in this country for money, but begged them to send food instead. Travellers returning from abroad commented upon a lack of these articles, and so by degrees an increasingly large demand for shipments of various food supplies made itself felt.

At about this time the formation of the Committee for Food Shipments was resolved upon. Its object was first to call attention to the fact that shipments of food could be made with reasonable safety to Germany and Austria-Hungary by parcel post in spite of the British blockade, and then to assist those who wished to avail themselves of our services by attending to the actual purchasing and mailing of supplies to any given address. The Committee thus undertook to relieve those for whom it was difficult or inconvenient to make shipments themselves, and also hoped to make arrangements with various

firms for the purchase of supplies at wholesale prices, and thereby to obtain more for a given sum than the individual shipper himself could buy. The organization was complete, the first announcement of the Committee's intentions was printed, when out of a clear sky came the notice that parcel post service between this country and the Central Empires had been suspended.

Now followed repeated efforts by delegates of the Committee to induce our Government to find some way to re-establish this branch of the postal service. Our Postmaster-General was interviewed in Washington. We were received and listened to with sympathy and consideration. We were assured that everything possible would be done to relieve a difficult situation. A memorandum of the distressing conditions abroad was submitted to the President, and by him received with sympathetic interest. The Secretary of State was appealed to on more than one occasion. But nothing came of it all, and the parcel post service between here and Germany remains a thing of the past.

In the meantime it had gradually developed that there was one thing among all those that had formerly been sent over that was becoming an absolute necessity, and that its growing need was the cause not of suffering alone but of death. This was milk. Accounts reached us from time to time of the harrowing situation in certain parts of Germany and Austria-Hungary and particularly in Poland. Heartrending accounts of starvation among the innocent victims of this world conflict profoundly stirred the Committee and those many others who knew of the true state of affairs. The Committee thenceforth resolved to limit its efforts to one purpose alone—the shipment of milk for babies, whose lives depended upon this form of nourishment, and it took up with renewed vigor a task which by this time had assumed an almost hopeless aspect. Hopeless but for one thing—our confident belief that if we can make it known all over our great country how desperate conditions really are, our citizens will so insistently demand that they be permitted to exercise their right to help that our Government in its dignity and in its sense of justice and humanity cannot fail to respond.

And we are making progress. Already in almost every State of the Union there are groups of active workers, who are awakening the people to a realization of the need for help. But more than this. We have found in Congressman Emerson an able and enthusiastic champion, whose ringing voice has stirred the halls of Congress. Through him the accomplishment of our purpose has been raised, as it deserves, to the dignity of a national question. May the consciousness that the prayers of countless mothers follow him be an inspiration to him in the future.

But the practical difficulty of making shipments is not the only one by any means that the Committee has to contend with. We have been attacked on every side. From an official source abroad we are accused of being "dishonest and insincere." Attempts have been made by elaborate statistical computations to prove that there ought not to be a lack of milk and therefore is not. But I fail to see any force to arguments that a situation should not exist when such a man as Judge Lindsey, fresh from the other side, tells us that he has seen with his own eyes that it does exist. Then there are the arguments of those who say that because in their opinion Germany started the war, Germany should bear all the consequences, and that we as neutral citizens should look on while German babies starve. We are told that during the siege of Paris during the Franco-Prussian War babies starved to death, and that therefore German babies are not deserving of a better fate. Such arguments as these, I submit, only reflect on those who make them, and like those that advance them, are deserving of nothing but contempt.

Finally we have been attacked as being pro-German propagandists, whose sole motive is to discredit in an insidious way England's methods of warfare. My answer is to point to the fact that this Committee is made up of women and men, clergymen, and physicians, all American citizens. They are working without any thought of partisanship or of politics. They are attacking no one, and certainly they are in no way seeking to benefit themselves. They are inspired by one thought, and one thought alone—the saving of thousands of those little beings that in this universe form a little world all their own, a world that in our eyes should have no nationality, that can have no enemies, and that in its helplessness is entitled to the loving support and sympathy of all mankind. They are working indeed in the spirit of true Americanism, and it is to this spirit in you that they appeal for cooperation. (Address delivered by Carl L. Schurz in Tremont Temple, Boston, April 12, 1916.)

Mr. VON MACH. I should like to put all of these letters in the record.

Senator OVERMAN. We could not put all of those in the record. You just put a sample of the letters in.

Mr. VON MACH. But if there should be any doubts in your mind as to the actual workings of the civilian committee and as to the purposes of it, I think you ought to have them.

(The papers referred to are here printed in the record as follows:

NOVEMBER 23, 1916

To the PRESIDENT OF THE UNITED STATES,

Washington, D. C.

DEAR MR. PRESIDENT: Christmas is approaching and with it the desire of all people to do something for those they love. The most thoughtful look for the greatest needs and try to supply them.

The food conditions are unsatisfactory in the countries of all the belligerents and the saddest thing to contemplate in this connection is the insufficient supply of milk and the consequent malnutrition of the little children.

The mental and physical health of the future generations depends upon the proper feeding of the babies of to-day. Since the interchange between people in modern times is intimate, the American people are vitally concerned in the mental and moral vigor of those with whom they will have to live in the world as fellow human beings.

For this reason, I venture to suggest to you an idea which has come to me through the correspondence with prominent Congressmen and which amounts to this: That overwhelmingly large numbers of Americans would welcome if you were to call the attention of Congress to this fact in your next message.

If you were to do this, it is believed that Congress would make a sufficient large appropriation, should you desire this, and make other necessary arrangements to have America send milk at Christmas time to the children of all the belligerent nations.

If this could be done, it would be an enlargement of the plan I suggested to you when you were good enough to receive me last winter, and I told you that our committee had the promise of one of the Hamburg American Line steamers for carrying milk, and that nothing would suit us better than to be permitted to carry milk also to France, Ireland, and England.

Circumstances have so shaped themselves, that our committee has worked along lines which confined themselves to the contemplated shipment of milk to the Central Empires. The oceans stood open to the Entente powers, but if this had not been so, our Committee would have worked as eagerly for the children also of the Entente powers.

If this idea commends itself to you—perhaps you have already thought of it yourself—the United States would sow the seed of good will among nations. I can almost imagine that it might become the forerunner of peace.

I am, moreover, convinced that such an action on your part would be hailed as well by the pro-Allies as by the pro-Germans, into which classes our citizens in many localities unfortunately seem to be divided. My statement as regards the pro-Allies is based on an experience recently when I heard Captain Herz of the British army speak before a large New York audience of distinctly pro-Allies tendencies, and when a gasp of horror seemed to issue from all who heard Captain Herz say the following words:

"It is England's right, and her firm intention, to keep milk from the German babies as much as possible in order to starve them and to prevent another generation of Germans to grow up."

The following facts may also be of interest to you.

According to the Hungarian Daily *Az Ujsag* of July 23, there died during the one month of May 1916, 12,447 Hungarian children under the age of seven.

Conditions have grown worse since, and this seems to have been acknowledged by our State Department which has sent food for the sustenance of our representatives in Austria-Hungary on the S. S. *Noordam*, and among the articles of food condensed milk, according to the *World* of yesterday.

The proof of the wretched conditions among the children of Ireland is contained in an appeal issued by Mrs. Joseph H. Choate, Lady Aberdeen, and other ladies. I enclose copies of this appeal and of my reply.

In England maximum prices for milk have been declared, and the sufferings in France and especially in Poland are too well known to deserve further proofs. Concerning Russia I am dependent on hearsay.

Believe me to be, Mr. President,

Very sincerely yours,

(Signed)

EDMUND VON MACH,
Executive Chairman.

Confidential.

THE SEVERAL ATTEMPTS MADE BY THE CITIZENS COMMITTEE FOR FOOD SHIPMENTS TO SHIP CONDENSED OR DRY MILK IN LARGE QUANTITIES TO THE CENTRAL EMPIRES.

(The two large and several smaller shipments made by first-class letter mail, registered, have all reached their destinations, with the possible exception of the very last shipments, of which we have not yet heard.)

1. To have the Postmaster-General re-establish the parcel post service. Unsuccessful.

2. To have the Postmaster-General avail himself of the definite stipulation contained in article 3 of the Postal Union Convention, to have arbitration by neutral post offices of our postal differences with Great Britain. He acknowledged to have the right to do this, but said that he would have to ask Mr. Lansing's permission. Mr. Lansing refused.

3. To have the President offer a transport to carry our milk. The answer was that this was not within the power of the Executive, but of Congress, (Contrast with No. 9.)

4. To have the President arrange for the safe transit of a large ship of the Hamburg-America Line, offered to us, to carry American milk to the babies of all belligerents. Refused.

5. To have the Executive Branch of our Government find any safe way to ship milk. We did not care how the milk was sent. One effort made Dec. 28, 1915; none thereafter.

6. To ship milk on the Holland-American Line assigning it to the American Legation at The Hague for trans-shipment to the Central Powers, just as money has been assigned to the American Ambassador in Turkey who attended to its distribution to the people for whom it was meant. Refused. (Because impracticable for these officers to assume the additional duties.)

7. To pay for additional clerk hire to attend to the "additional and heavy duties" of reshipping the barrels of Kindolac milk to the Central Empires. Refused.

8. To have the Navy Department carry our milk, on a collier just as it took Easter bread for the Jews in Alexandria. Refused.

9. To have Congress express the wish that our State Department arrange for the unhampered shipment of milk. Frustrated by Mr. Lansing's request that no action be taken by Congress, because this matter was solely within the power of the Executive. (Cf. No. 3.)

10. To have our Government declare unequivocally, as it has done in substance, that we have the right to ship the milk to be distributed under Red Cross supervision to those babies and nursing mothers who need it; and to have it further publicly state that such a ship could not be seized because it could not be done except by declaring to the whole world that babies were purposely being deprived of their milk. If our Government will do this, big insurance companies in New York consider the ship a good risk; and if the Government will prove it means what it says by authorizing the Bureau of War Risk Insurance to write half of the insurance, one big company has offered to write the other half. The Bureau of War Risk Insurance is by law attached to the Treasury Department. The particular question of issuing insurances to our proposed ship was taken from the Treasury Department and given to the State Department where it was decided in the negative.

11. The whole subject was re-opened again by conferences with the State Department on July 11th., and 12th. These conferences were attended by the Acting Secretary of State, the Third Assistant Secretary, the Chief of the Bureau of Near Eastern Affairs, the Executive Chairman of the Citizens' Committee, and six Congressmen. As a result, the State Department appears now

to be inclined to accept as true the presentations on the citizens' committee in spite of Dr. Taylor's report.

There are over 200 Senators and Congressmen, including the Speaker, deeply interested, in the efforts of the citizens' committee, and many of them gave the committee their active moral support.

THE SEVERAL ATTEMPTS MADE BY THE CITIZENS' COMMITTEE FOR FOOD SHIPMENT TO SHIP MILK—ADDITIONS TO THE REPORT CARRYING THE EFFORTS UP TO JULY, 1916.

12. An impasse was reached as the result of the Taylor Report just mentioned. It was published by the State Department early in July in answer to requests made upon it for accurate reports on the milk situation in Germany and in Austria-Hungary, and its promise to secure such reports. This promise was made to several Congressmen on June 12, 1916.

The published report by Dr. Taylor bore the date of April 17, 1916, and was therefore on the day of its publication three months old.

The State Department never published the report on the milk situation in Austria-Hungary, and to this extent failed to keep its word pledged to Congressmen on June 12, 1916.

It was not difficult to disprove the accuracy of the Taylor Report, and with the help of figures prepared for the citizens' committee by members of the New York Board of Health to prove the critical condition of the babies in the Central Empires, especially in Hungary.

The President, nevertheless, and the State Department, were adamant in their determination to consider the Taylor Report conclusive, and to resist the publication of the Report on the Milk situation in Austria-Hungary.

Whenever appealed to by warm-hearted members of Congress or other people, Mr. Lansing sent out the Taylor Report as proving that there was no need for action. Thus Congress was lulled into a belief that the babies abroad were safe, while at the same time agents of Great Britain were going about the country gloating over their success in starving the babies. Captain Herzog of the British army, e. g. used these words before a large audience in the Hotel McAlpin on October 20, 1916.

It is England's right, and her firm intention to keep milk from the German babies as much as possible in order to starve them and to prevent another generation of Germans to grow up.

13. During the months of the Presidential campaign all public efforts to persuade or force the State Department to secure for the committee unhampered shipment of milk were suspended. Unwilling, however, to keep idle in the bank the money already subscribed, we suggested to our subscribers the establishment of the Empress Augusta Viktoria Children's Milk Fund. With hearty approval of all the fund was established. Since milk was not scarce in the Central Empires but also dear, and we were prevented from shipping milk, we asked the Empress to use the moneys collected in order to assist the most needy in Germany or allied countries. The Empress accepted the trust, and the money was forwarded to her, and the State Department informed of the action taken.

14. After the election was over, one more attempt was made to rouse the State Department to action. It failed.

15. Then Congress was appealed, or rather influential men in Congress, and a plan was worked out to have Congress make a large appropriation for the sending of milk to the babies in all the belligerent countries as a Christmas gift. The attempt failed owing to the opposition of the President.

Senator OVERMAN. We will assume that the money was collected for humane purposes.

Mr. VON MACH. All right, and may I ask you whether you also assume on my statement now that no misappropriation or misapplication was made of the fund?

Senator OVERMAN. I am not assuming anything of that sort.

Mr. VON MACH. Let me ask Mr. Becker and Mr. Bielaski, who have the charge, to present the books.

Senator WOLCOTT. I should say that that assumption would be made by me, at least until it was overcome by some evidence that properly overcame it.

Mr. VON MACH. The assumption that it was properly spent?

Senator WOLCOTT. Yes; that would be the presumption until it was overcome by testimony.

Mr. VON MACH. It can not be overcome by testimony, Senator.

Maj. HUMES. Doctor von Mach, after the severance of diplomatic relations you were very active to prevent a declaration of war, were you not; and you came to Washington and were very active in that connection?

Mr. VON MACH. Yes, sir.

Maj. HUMES. I show you a pamphlet purporting to be signed by you, and ask you if you had that circular printed.

Mr. VON MACH. I did, sir.

Maj. HUMES. This was between the time of the severance of diplomatic relations and the declaration of war, was it not?

Mr. VON MACH. Yes, sir.

Maj. HUMES. I call your attention to one of the first statements.

Mr. VON MACH. Will you read the very first statement, Major?

Maj. HUMES. Yes, sir [reading]:

To my fellow citizens—

Mr. VON MACH. The headline.

Maj. HUMES. The headline? The headline of this circular reads:

Loyal American citizenship consists in keeping unsullied one's allegiance to the constitution, and to the principles on which this Nation was founded, humanity, justice, and good will toward all.

That is the title of the pamphlet, apparently.

I call your attention to this statement in the body of the circular [reading]:

Are you being deceived?

You are told that Germany has begun a new mode of warfare characterized by ruthlessness; that her order of January 31, 1917, constitutes an affront to the honor of the United States; and that we can not maintain friendly diplomatic relations with a country which declares an arbitrary war zone on the high seas within which even American vessels will ply at their own peril, and where they are liable to be sunk without warning.

THE ORIGIN OF RUTHLESS NAVAL WARFARE.

It is not Germany but Great Britain who begun this new and ruthless and indefensible kind of warfare.

Mr. VON MACH. That is a fact.

Maj. HUMES. That is correct?

Mr. VON MACH. Yes, sir.

Maj. HUMES. That was your position at that time?

Mr. VON MACH. Yes, sir.

Maj. HUMES. Is that your position to-day?

Mr. VON MACH. Yes, sir.

Maj. HUMES. In other words your position to-day is that the offense which was the foundation, or one of the foundations, for a declaration of war on the part of the United States was not an offense of Germany but an offense of Great Britain?

Mr. VON MACH. No, sir. No; I beg your pardon; that is an entirely erroneous statement of my position.

Maj. HUMES. That is the logical conclusion to draw from your declaration.

Mr. VON MACH. No, sir; I believe that every single nation has a perfect right to declare what offenses against it it desires to consider as a cause for war, and what offenses against it it desires to condone. Up to the time when the American Nation, through Congress, spoke and declared war on Germany, I believe it was perfectly ethical for me to point out that, so far as I saw it, it was not so much the submarine that was the great principle at stake, which afterwards in future history will mark the epoch, but it was the question, Has any belligerent nation the right to establish a forbidden area in the sea just as we have granted to belligerents the right to establish forbidden areas on land? For instance, where you have a beleaguered city. Great Britain had been, so far as I understand it, the first one to establish such an area. In carrying out her policy she had given an offense to the United States, but the United States Government, through the constitutionally ordained members, had come to the conclusion that it was not a cause for war. But the offense which Germany had committed she decided on April 6 was a cause for war.

Maj. HUMES. Do you still think they were wrong about it?

Senator NELSON. Your views are that there were no grounds for our people to declare war against Germany?

Mr. VON MACH. No, sir.

Senator NELSON. You think we were wrong in declaring war?

Mr. VON MACH. Sir, I have just said I believe that every other sovereign nation has a perfect right——

Senator NELSON. Do not equivocate. Get right down to the point. Do you believe we were right or wrong when we declared war against Germany?

Mr. VON MACH. Senator, I do not see how I can possibly answer that question differently than I have answered it before, by saying that I have accepted the verdict of the sovereign American people expressed through the proper authorities. They said that we had a cause for war, and I accepted that, and what any individual views about this or that may be in my own mind has nothing to do with the question. The question is, merely, will you accept the verdict?

Senator NELSON. But you are here to purge yourself of a charge of disloyalty.

Mr. VON MACH. Yes, sir.

Senator NELSON. Now, the question is, What was your state of mind at that time? Did you believe that we had a right to go to war? Were we justified or not?

Mr. VON MACH. My state of mind up to the time we went to war was that it was a mistake, and that it would not take place if the facts were known.

Senator NELSON. You think that this Congress and the President made a mistake in declaring war?

Mr. VON MACH. Up to the time that they actually declared it, I felt that they made a mistake, but the moment our Congress declared war I felt "Now all I have to do is never mind what my own feelings formerly were. We are at war, and from now on my oath of allegiance to the Constitution prescribes a definite course."

Senator NELSON. But in your opinion we had made a mistake in declaring war?

Mr. VON MACH. I do not see how I can answer that better than I have already answered.

Senator OVERMAN. What do you mean by violating the Constitution in voting for war? What do you mean by that?

Mr. VON MACH. I mean that—Senator, I will go into that subject, if you desire me to do so.

Senator WOLCOTT. Why should there be any hesitancy in declaring your position? You had a right, if you wanted to, as an American citizen to oppose a declaration of war. Some Senators voted against a declaration of war.

Mr. VON MACH. I am not opposed to declaring my position but—

Senator WOLCOTT. It seems to me that you are hesitating about it.

Mr. VON MACH. No; my point is simply this. Senator Nelson—I recognize him from the fact that his questions are so similar to the questions that he has asked others—the Senator asked me a definite question which implied in his mind that I am not loyal if I did not believe the way the majority of Congress believed; that I am disloyal—that is back of his idea—and I want to make it clear that by what you called prevarication—

Senator WOLCOTT. I did not say “prevarication”——

Mr. VON MACH. Hesitation—excuse me. I want to make it clear to him that my understanding of allegiance to a country after a definite step has been taken is that the individual is to accept it, and that it would not have been proper for me to accept this statement, and spread it around the country and say that I believe that Congress made a mistake. I would consider that entirely improper, whatever my own belief might be. So long as Congress has taken this step, and we are at war now, it seems to me my only attitude is that I have accepted the step that Congress has taken. That is my only view, and the Senator can draw his conclusions. I wrote to the Attorney General that if I am honest in my belief up to midnight of one day I can not possibly change my belief the next day, although my course of action is altered.

Senator OVERMAN. Well, your course of action is that, yet your sympathies in your heart are with Germany.

Mr. VON MACH. My feelings in my heart are with all human beings, and with the desire to see in this world an order of things which will make such wars impossible. In the same book which the major referred to before I made this statement. I said: “The old saying ‘in time of peace prepare for war’ has played the world false, and we ought to rewrite it, ‘In times of peace prepare to preserve peace.’” And the other statement which I made in that book was that one of the most outrageous conceptions had been the theory of the balance of power, and that until European nations gave up the idea of the idolatry of the balance of power, there could be no permanent peace. These two theories I see this morning in the papers President Wilson has proclaimed, and yet when I proclaimed them I was attacked by the agents of my own Government, the Department of Justice, for my attitude. And I was attacked by a certain clique interested in certain policies in Europe; and if we can trust the papers that yesterday made an attack upon President Wilson, especially the Boston Transcript, he was attacked exactly as mischievously. He was attacked exactly as mischievously after having taken hold of those two ideas that the balance of power ought

to be done away with, that you can not have peace in Europe unless you do, and that in times of peace you ought to try to preserve peace; and heaven knows that I have not been a political adherent of the President, but still my blood boils within me when I see the papers attack him now because he is trying to carry out the American ideas over there.

Maj. HUMES. Did you not at the same time say that the declaration of war was a step toward the establishment of an autocracy in this country?

Mr. VON MACH. I did not, Major; but you will not deny that in the interest of carrying on this war our form of government has of necessity been transformed very much into a one-man government.

Maj. HUMES. And the so-called necessary transformations that you speak of have given rise to the two constitutional violations that you have been complaining about, haven't they?

Mr. VON MACH. They have.

Maj. HUMES. And the constitutional violations that you have been complaining about have been the right of the Government to intern alien enemies——

Mr. VON MACH. That has been one.

Maj. HUMES (continuing). The question of sending troops to Europe, and the question of conscription; is not that true?

Mr. VON MACH. Yes.

Maj. HUMES. Those are the constitutional violations that you have been complaining of?

Mr. VON MACH. No; I beg your pardon, there is one additional one.

Maj. HUMES. Those are three of the four?

Mr. VON MACH. And a very prominent additional one, and as I said before, you might bring it out and then I might bring it out but it would mean attacking people. Now, my whole activity for the past five years has been not to attack people unless it was absolutely necessary, but my whole idea has been, when people are fighting and when people are in passion, it is so difficult to see how to get out of it, but if you once see a little bit of good out of that whole string of horrors the whole world over—but if you will permit me, I would rather not go into those questions.

Maj. HUMES. But you had raised the question that you opposed certain violations of the Constitution, and I wanted to find out the particulars in which the Constitution had been violated from your viewpoint. As I understand it, you say that three have been called to your attention, namely, the internment of alien enemies in the provisions of the act of Congress——

Mr. VON MACH. What year?

Maj. HUMES. 1917, or something like that. Section 1067 of the Revised Statutes.

Mr. VON MACH. Was that before the adoption of the amendment?

Maj. HUMES. It was in the neighborhood of the year 1800, I think.

Senator NELSON. The internment law we modified a little during the last Congress.

Maj. HUMES. Yes.

Senator NELSON. But it was an old law on the statute books.

Maj. HUMES. That is what I say; it was either about 1790 or 1800 I think, that it was passed.

Mr. VON MACH. Now, may we stop that for a moment; and if the Major will permit me, may I read a letter which I wrote to the United States attorney in Boston, Mr. Anderson, with the request that he forward it to the State Department, which makes my reason why I acted in that matter so perfectly clear?

Senator NELSON. Put that in the record without reading it, so as to save time.

Mr. VON MACH. Senators, it is the treatment that was meted out to some of those interned Germans which I think, if you hear, will give you an entirely different attitude on the matter, and I can tell you—I have the letters here—the fact is that they were treated so perfectly outrageously, some of them. At Ellis Island, for instance, there was a little detention pen which was just large enough to have 12 bunks, which raised up and in daytime had to be turned over because there was not enough floor space otherwise, and in that, 16 of these men were crowded. They received absolutely nothing. They were not permitted to communicate with their families; they were not permitted to get any clothing. For 10 days they had no change of underclothing or other clothing. They had no washing facilities; they had no exercise. They were given no reason for it. They were three times a day taken as prisoners to a place to eat where the food was unsatisfactory, and were then taken back again, and not until such serious ailments developed that it was necessary to make a change was a change made.

Senator NELSON. Where was the internment made?

Mr. VON MACH. That was in Ellis Island, first.

Maj. HUMES. Were you at Ellis Island?

Mr. VON MACH. No; but I got this from one of the men that were afterwards released.

Maj. HUMES. This information you got from some one else?

Mr. VON MACH. Yes; I made that clear in this letter.

Maj. HUMES. The information came from an interned alien enemy, did it?

Mr. VON MACH. Yes; and my point in this is, Senator, that I wrote this to the United States attorney, with the request that it be forwarded to the Attorney General, and it was in supplement to an interview which I had had with him, in which I had asked him that if I had been misinformed, that if such treatment had not been meted out to those people, he would please inform me; and since he acknowledged the receipt of my letter but did not inform me that the statements contained therein were inaccurate, I had to assume that they were correct.

And now, Senator, take another matter. To my mind it seems to be so contrary to American principles to have the same authority to be the accuser and the judge and the only appeal. I do not claim nor have I ever claimed that any of these men should not have been arrested, or should not have been severely punished if they had done anything against the peace of the United States. I know of a case of a business man in Boston who had dissolved partnership about six months before. That man was arrested as a dangerous alien enemy. His former partner, who had started in a rival business, immediately came out in the newspapers attacking him. The only man who could actually gain any benefit from that was this rival former partner.

Every single statement which came out in the paper as a cause for the arrest of this man has been disproved, and a lawyer now connected with our Department of Justice here, whom I got interested in the case, has affirmed—Mr. Dewey, the assistant attorney in Boston, himself—that every one of these charges that had been actually publicly brought against the man, has been disproved. But there are said to be other charges, and nobody can find out what these charges are, against the man. Now, I do not believe it is in the interests of the United States not to enable such a man to appeal.

His wife wrote to me the other day that she is sure now that there must be a case of mistaken identity. And why should not such a man be able to appeal to the court, and why should he not be able to go there and say, "Now, tell me what are the charges against me? What have I done?" And if he has done something, I assure you that neither I nor anybody who believes in the unconstitutionality of this behavior, in the un-Americanism of it, will for one moment defend that man. It is not that, but it is that the same Department of Justice should be accuser, should be the judge, and should be the only tribunal of appeal. And now, according to the newspapers, the Department of Justice wishes to bring before you Senators, very soon, a law according to which the same authority shall be allowed to deport people.

I know another man who is married to a girl from Providence whose ancestors fought in the War of the Rebellion, in the War of the Revolution, and also in the Civil War, and who is about as ardent and patriotic an American as she ever has been; but her husband is a German and she is now an alien enemy, and she wrote me the other day and she said she did not know but that death was the only outlook if America was going to doubt her now. Nobody could tell her what the charges were against her husband. Now, that is the only claim I make, and you will not defend that.

Maj. HUMES. In other words, you claim that an alien enemy is entitled to all the rights of an American citizen in time of war? That is your contention, is it?

Mr. VON MACH. No; my contention is that the alien enemy is entitled to all the rights that the Constitution gives to any "person." The Constitution is very definite in regard to the rights which it gives to persons and to citizens, making a distinction. When it means citizens, citizens are mentioned, and when it means "persons," that word is used.

Maj. HUMES. There seems to be some difference between you and the Supreme Court of the United States about the interpretation of that section of the Constitution.

Mr. VON MACH. Then, that is unfortunate for me.

Senator NELSON. What other unconstitutional thing has ever been brought out? What else have you there?

Mr. VON MACH. I believe that the sending of troops into Russia is an unconstitutional procedure.

Senator NELSON. Oh! Now, what else is unconstitutional?

Maj. HUMES. May I just interrupt you there, Senator? Was the sending of troops to France also unconstitutional?

Mr. VON MACH. I held that view until the Supreme Court has decided that it is constitutional.

Maj. HUMES. Now you will admit that it is constitutional. Why do you not concede that same thing to the Supreme Court in the case of internment?

Mr. VON MACH. Because I believe they have never settled that question yet.

Maj. HUMES. Oh!

Mr. VON MACH. It has never come before them for the simple reason that it has never been permitted to come before the court before which it could be settled.

Maj. HUMES. It has frequently come before the lower courts, has it not?

Mr. VON MACH. I do not think it has come definitely before them.

Maj. HUMES. If it has not come before the Supreme Court it is only because the Supreme Court has not issued a writ of error and review, is it not?

Mr. VON MACH. Why has it not?

Maj. HUMES. Is not that a fact?

Mr. VON MACH. Major, you are a lawyer, are you not?

Maj. HUMES. I am not claiming anything.

Mr. VON MACH. Are you not?

Maj. HUMES. I am not under examination now, Mr. von Mach.

Mr. VON MACH. All right; excuse me.

Senator NELSON. What other unconstitutional thing have we done? You have mentioned two things. What other unconstitutional thing have we been guilty of in this country while you have been here?

Mr. VON MACH. Well, Senator, I believe that the breaking of diplomatic relations by Executive act, when those relations are the result of an act of Congress, is unconstitutional. Mind you, not the change of the personnel, but the breaking of diplomatic relations which are the result of an act of Congress; I do not believe that to be constitutional.

Senator NELSON. Yes. Now, what else is unconstitutional? I am anxious to know.

Mr. VON MACH. Well, I am very much delighted to have you feel so. That has not been the attitude of the courts recently.

Senator STERLING. I suppose you think it is unconstitutional to adopt these prohibition amendments, do you not?

Mr. VON MACH. I have not given that very much thought, Senator.

Senator STERLING. Well, that interferes with personal liberty, does it not?

Mr. VON MACH. It does not very much interfere with my personal liberty; but I am much opposed to it, if you want it that way. I mean, I am much opposed to prohibition, because I have lived too long in Maine, and I know that it does not prohibit. [Laughter.]

Senator STERLING. Of course, you think we are doing an unconstitutional thing in having our troops occupy a portion of Germany now?

Mr. VON MACH. No, sir.

Senator STERLING. You do not.

Mr. VON MACH. No, sir.

Senator STERLING. That is constitutional, is it?

Mr. VON MACH. Well, Senator, with Russia you are not at war. You have not declared war against Russia.

Senator NELSON. Oh, yes; they are our allies? The Russian Government is our ally?

Mr. VON MACH. But we are speaking of different governments.

Senator NELSON. The great trouble with Russia is that there are a lot of Germans in there that have not retired yet. They are mixing up with the Bolsheviki. Maybe that is on your mind.

Mr. VON MACH. No, Senator. This question which was raised the other day in the Senate, and which is raised much more frequently in smoking cars and all about, is this fundamental question: During the war is it according to the Constitution of the United States and in keeping with American principles to have the chief power use the troops wherever and for whatever cause it seems to him to be to the interests of the Government?

Senator NELSON. You mean to use the food power?

Mr. VON MACH. No; to use the soldiers of the Government.

Senator NELSON. Oh, yes.

Mr. VON MACH. And should it not be left to the decision of Congress?

Senator NELSON. Yes.

Mr. VON MACH. Whether the Army should be used in furthering—

Senator NELSON. You think we made a mistake, then, which was unconstitutional, to let the President send the troops to Europe?

Mr. VON MACH. That has been—I thought so, until the Supreme Court decided that it was, because according to my reading of the provisions of the Constitution I did not see how it would be possible to have Congress raise an Army to go out of the country.

Senator NELSON. What were your views as to the constitutionality of the draft law?

Mr. VON MACH. My views of that I can best explain in the answer which I sent to a young man who had formerly been my employer and who asked me what he should do in the question, and who had heard of a very prominent lawyer in Washington who had declared the law to be unconstitutional; and this young man wanted to know, on the strength of that, whether he would have a right to withdraw himself from the draft, and I wrote him that I had been very deeply impressed by the arguments which had been advanced against the constitutionality of that, but that I personally was not convinced of the absolute soundness of those arguments.

Senator NELSON. In other words, you were in doubt still?

Mr. VON MACH. I was in doubt, and that so long as I was in doubt and so long as the law remained on our statute books and had not been declared unconstitutional by the Supreme Court, it was his undoubted duty to obey the law in every detail.

Senator NELSON. You were willing to give the Government the benefit of the doubt, then, were you?

Mr. VON MACH. Yes; I was, in every single case. I would not feel justified in disobeying the law because I personally did not believe in its constitutionality.

Senator NELSON. Yes.

Mr. VON MACH. And I believe that that is the proper attitude to take.

Senator NELSON. Now, what other unconstitutional things have we done here during the war? I want to know, because we are getting off the fence, now. What other unconstitutional things are there that we have been guilty of during the war?

Mr. VON MACH. Perhaps Maj. Humes may find out some more. He seems to have a great fund.

Senator NELSON. I want the information from you.

Mr. VON MACH. Perhaps he can stir my memory.

Senator NELSON. I want to know from you, because you stated a while ago that part of your mission was to preach loyalty and adhesion to authority, and to keep us straight and prevent violations of the Constitution.

Mr. VON MACH. I am so glad you put it that way, because it adds an importance and consequence to my activities which I had not hoped to get from you.

My idea in making a statement here is this: I knew that I had once or twice, or possibly more than that, mentioned such facts. If I had omitted that in my statement, your very active and watchful legal adviser would immediately have said, "How about this? Did you not, during that time, also call attention to that?" I can assure you that since the outbreak of the war the thoughts which I have permitted myself to think have been thoughts for the welfare of this country, not only for the winning of the war, which is, after all, an exceedingly small matter compared with the position of this country in this world, but whether in the world a democracy, as it is based on that wonderful Constitution of the United States, shall prevail, or whether autocracy, or what we are apt to question, Bolshevism, shall prevail.

Senator NELSON. Your constant prayer has been, then, "Oh, Lord, help my unbelief"? Your constant prayer has been all during the war to have the Lord help your unbelief?

Mr. VON MACH. No; my constant prayer has been, "Help us all, every one of us"; and I might have included you in there, Senator. I will in future.

Senator NELSON. You feel that you have been all along pouring oil on the troubled waters?

Mr. VON MACH. No——

Senator NELSON. Your mission has been to pour oil on the troubled waters in this case?

Mr. VON MACH. No, sir; not since the beginning of the war——

Senator NELSON. No; but before the war?

Mr. VON MACH. I have tried to.

Senator NELSON. You felt all your work, before we declared war, was simply to pour oil upon the troubled waters?

Mr. VON MACH. To have America do for the nations abroad what she has done for the people here.

Senator OVERMAN. What did you say about praying for Senator Nelson?

Mr. VON MACH. I said that in the future I would include the Senator, always, in my prayers.

Senator NELSON, you ask such embarrassing questions, and you have such a kindly smile. [Laughter.]

Senator NELSON. On these grave constitutional questions, I think you are justified in making that prayer.

Maj. HUMES. Maj. Keehn is still here, Senator Sterling.

Senator STERLING. I will not stop now. I do not think that there is anything that I care to ask, anyhow, Maj. Humes. I have not the letter before me—the statement—now.

Mr. VON MACH. Maj. Humes has not broached one subject at all, which has been broached here, and of which I happen to know something in general, and that is the idea of the establishment of a newspaper, or of newspapers, in this country. Major, have you anything—

Senator OVERMAN. I think we had better adjourn now and take that up to-morrow. You can be here to-morrow?

Mr. VON MACH. Certainly.

Senator OVERMAN. If you have any further statement to make, you had better make it to-morrow.

Mr. VON MACH. I would hate to go back and not answer these various questions, because I think that is a very important thing.

Also, I notice that the German University League has been mentioned before you here.

Senator OVERMAN. Yes. I would like to get the by-laws of that. Have you got the by-laws of the German University League here?

Mr. VON MACH. No, sir.

Maj. HUMES. There were some of the exhibits that went down to the printer, and we have not got them back, and it was among them.

I may not have asked you about this: Did you contribute any articles of any kind to Viereck's Fatherland?

Mr. VON MACH. I contributed a great many to Viereck's while it was the Fatherland.

Maj. HUMES. While it was the Fatherland?

Mr. VON MACH. Yes.

(By order of the committee, a letter in relation to canceling the naturalization of Louis N. Hammerling is here printed in full, as follows:)

DEPARTMENT OF JUSTICE.
Washington, D. C., January 18, 1919.

HON. LEE S. OVERMAN,

Chairman, Subcommittee of the Judiciary Committee,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I beg to advise you that under even date herewith the United States Attorney for the Middle District of Pennsylvania has been directed to institute proceedings to cancel the naturalization of Louis N. Hammerling. Such action is predicated upon the testimony of Mr. Hammerling before your committee from which it appears that certain statements believed to be material to which he made oath, upon which he was admitted to citizenship are false.

For the Attorney General.

Respectfully,

CLAUDE R. PORTER.
Assistant Attorney General.

(Thereupon, at 5.45 o'clock p. m., the subcommittee adjourned until Friday, January 10, 1919, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA

FRIDAY, JANUARY 10, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Nelson, and Sterling.

Senator OVERMAN. The committee will come to order. Mr. von Mach, you did not conclude yesterday. You may take the stand.

TESTIMONY OF MR. EDMUND VON MACH—Resumed.

Senator NELSON. Have you some more constitutional questions?

Mr. VON MACH. No, Senator. But, Senator, to a great many of us those constitutional questions are of such supreme importance, and while they do not belong in the discussion before this committee, those of us who have sworn an oath to the Constitution can not readily understand it, why those people born under the Constitution—

Senator NELSON. It is a fortunate thing that in Germany they are not bothered with a constitution like we have.

Mr. VON MACH. Senator, when a man born in Germany comes to this country and becomes an American citizen he becomes so because of his love for the Constitution and for the principles for which it stands, and it really has been a very great misfortune that during these past years the attitude of the Germans in this country has been so totally misunderstood and suspicion directed toward them, as if anything could come up which would make them willing to be faithless to it.

Senator STERLING. You have got in the habit of invoking the Constitution for the protection of everything that is pro-German.

Mr. VON MACH. Senator, supposing that that should be so, do you feel that that is against American principles? Do you feel that the Constitution should not be obeyed, if obeying the Constitution should happen to be in favor of a particular case?

Senator NELSON. But you construe the Constitution—Germans are construing the Constitution themselves in their own way.

Mr. VON MACH. It is not the Germans.

Senator NELSON. You mentioned yesterday that the Supreme Court in one case has overruled your idea. Is not your trouble that you have the idea that an appeal should lie from the Supreme Court on constitutional questions to the Kaiser?

Mr. VON MACH. No, sir. As I suggested yesterday, Senator, you always take the sting out of your question in the way you put it. [Laughter.]

Senator OVERMAN. Well, proceed.

Mr. VON MACH. I testified yesterday to the general purpose of my writing, which was to present in temperate language the facts as I believed they appeared to the people of central Europe. This necessarily meant restriction, and in this connection I would like to present to you the following letter. This letter was sent to me—I will hand you the letter so that you can see the name afterwards—on November 11, 1914, by the editor of one of our monthly magazines, which has, I believe, the largest circulation, or if not the largest one of the largest circulations, who invited me to write a letter, as follows—

Senator OVERMAN. What magazine?

Senator NELSON. Viereck's?

Mr. VON MACH. Oh, no. This was after we entered the war; and I will hand you the letter.

Senator OVERMAN. Tell us what the magazine was.

Senator NELSON. What was the magazine?

Mr. VON MACH. Do you think it is necessary? This gentleman wrote me this four years ago.

Senator NELSON. You say it is one of the best magazines?

Mr. VON MACH. One of the largest.

Senator OVERMAN. Let us have the name of it.

Mr. VON MACH. Everybody's. The letter reads as follows:

Everybody's Magazine wishes to undertake an experiment in emotional understanding. It requires an article.—a short one, say 1,500 words,—which shall be an indictment of England written out of the deep of German feeling, and provided only that it is done by someone like yourself who is big enough to assume the moral responsibility, it may be as harsh, as bitter and as unrestrained by affections of neutrality, as the writer likes to make it.

It then goes on to suggest the kind of article he wants. He says:

If I were writing the indictment I should say that to the German the Britisher is the colossal hypocrite of the world; that he affects to disbelieve in militarism and seeks to impose himself upon the world by his naval supremacy; that, as Cramb says, he goes about saying "Let us keep the peace for the sake of God and because it pays;" that he has purloined his empire and that he no more entered this war because Germany violated Belgian neutrality than because Prussia may have not played fair with the Empress Maria Theresa, but because every trade report for twenty years had been a cause of war with Germany, and that he is the smuggest creation of God.

Senator STERLING. Now, those are the words of the editor of the magazine to you?

Mr. VON MACH. Suggesting—

Senator STERLING. Suggesting the kind of an article for you to write?

Mr. VON MACH. Yes. My reply to the letter was as follows:

I have given your offer serious consideration. Such an article can be valuable only if it expresses the honest conviction of a man, as well in style and form as in thought. I believe too firmly that intemperate speech has been a strong contributory cause of the war to yield to the temptation of putting into catchphrases my very strong feelings. However wrong England is today, some day the Germans and the English will have to face the world again as brethren and I do not wish to make the task of readjustment more difficult then.

And I may add that, what for a man of my very slender means would have been quite an inducement, he said at the end:

If you can do it will you be so good as to answer at once? We should leave the remuneration to you.

Senator OVERMAN. What is the date of that?

Mr. VON MACH. November 11, 1914.

Senator OVERMAN. Have you any objection to giving us the name of the editor?

Mr. VON MACH. The name of the editor? Well, I have already given you the name of the magazine, Everybody's. The editor was Garet Garrett.

Senator NELSON. Who?

Mr. VON MACH. Garet Garrett; and I simply bring this statement out because I think that I should fairly and clearly indicate just what had been the purpose of my general writing.

Maj. Humes yesterday presented a letter to me from Dr. Albert, asking for information on certain points. Similar letters can be found among the files of all or almost all the embassies here in Washington.

I remember having corresponded with Sir Cecil Spring-Rice; and I also remember corresponding with the French ambassador, whom I asked for certain information, and which he had the kindness to forward to me.

I desire to bring in this information to show that I really spared no pains and tried to get information, and accurate information, from whomever was in a position, as I believed, to give me this information, and it has been, in my whole testimony, not my intention to mention names so long as I have been attacked and have been under suspicion, as I preferred not to have other people dragged in with it until I had successfully cleared myself before this committee.

Maj. HUMES. In your letter to the English ambassador did you say that the purpose of the book for which you were seeking data was in order that you might succeed in contributing your bit to get more friends here for your beloved Germany?

Mr. VON MACH. No, sir.

Maj. HUMES. Did you say that to the English ambassador?

Mr. VON MACH. Not at all, sir; and in the case of the letter to the English ambassador I asked for a copy—I remember this one letter, I believe there were several, but in the one that I remember definitely I asked for an authentic copy of the British Blue Book, because I was writing on the various documents, and I wanted to be sure to have absolutely accurate information.

Maj. HUMES. You did not express your personal sentiments in those letters as you did in the one you wrote to Dr. Albert, did you?

Mr. VON MACH. No; I surely did not.

Senator STERLING. Did you receive a letter or letters from Cecil Spring-Rice?

Mr. VON MACH. Yes.

Senator STERLING. Did you get the copy of the Blue Book?

Mr. VON MACH. I did. Excuse me; I am not sure whether Cecil Spring-Rice sent me the copy of the Blue Book or referred me to the publication. I know I got a copy of the Yellow Book from the French ambassador.

Maj. Humes also read a passage from a letter from Mr. Viereck to Dr. Dernberg in which reference was made to my recommending the publication of a certain book, and both Maj. Humes and you gentlemen were exceedingly courteous in accepting my statement that I had no recollection whatsoever as to what that could refer to. I have been trying to think over to what that could refer, and possibly Maj. Humes may have further information on the subject; but I remember that during the fall of 1914, or the winter—I do not know just when—I was approached by one of two men, either an Englishman who had been in this country, or a man who had come from New York, and who, I believe, was connected then with the World's Peace Foundation, who had reserved the rights from Mr. Morrell, an English author, who had published a book on the Morocco affair. He is the man who came first into prominence when he published the book on the Congo. I was approached, as I say, by one or the other of these men, I do not remember now which one, about the desirability of publishing Morrell's book in this country. It was out of print, and Morrell was willing to rewrite the second edition, and asked whether it would be possible to have that book published here, and I believe that this reference in the letter which was read is probably to this book of Morrell's on the Morocco question.

Requests were made to me from all kinds of people. As I pointed out to you, Senators, yesterday, all of a sudden the dicebox of fate threw my name out rather prominently, and all kinds of requests came to me, and, as far as possible, especially if those requests came from people who, like myself, desired to have good will, I tried to carry them out.

I have here a letter from a Boston physician who called on me first, together with the late Gov. Guild, in the interest of a friend of theirs who had been arrested at the outbreak of the war in Germany, Admiral Neald. That is only one of the cases where people came to me. He wrote:

Knowing your interest in presenting the cause of Germany to Americans from a proper point of view, I venture to call your attention to the possibility of a graceful act on the part of Germany toward some English friends of mine who are detained as prisoners of war at Nauheim. At the beginning of the war Admiral Neald and his wife were at Nauheim taking the baths, etc.

And that is only one of a great many instances. Another one I happen to remember is Mr. Pritchard, who was connected years ago with the Museum of Fine Arts in Boston. None of these people, including Dr. Guild, would have come to me or would have appeared to me if they had not understood in what kind of a spirit I was trying to carry on my work.

I made reference yesterday in my testimony here to what I believe was one of the most unfortunate instances of this suspicion of American citizens of German birth in this country, which had to do with the fact that those names of ours which appeared distasteful to the British secret service were afterwards, when we entered into the war, taken over as the nucleus of a list of disloyal citizens, and I have with me here a paper which I was unable to find yesterday, which I should like to present to you. This is the paper that I was unable to find yesterday. This is a transcript of a comment made by a gentleman by the name of Forbes Sutherland on January 14, 1915, before the Boston Press Club. He said that for several years he had

a member of the British military and intelligence department; that he had landed in New York toward the end of June, 1914; and that he there had a cablegram from the home office in London, already three days old, telling him to report immediately; that he telephoned to his local chief in Montreal, Canada, to inquire what it was all about, and that he was told it was for the European service; that he had returned to London, and that about one week before the first declaration of war he had gone to Antwerp with one of the heads of the British intelligence department to concert measures with the head of the Belgian secret service; that he had taken part in the British Expeditionary Forces and was wounded at the Battle of Mons; that he was in this country overseeing the shipment of horses for the British Army.

And at that time when he delivered this speech, and was in British pay, he at the same time wrote the military news for one of the big Boston papers, which avowedly was distinctly neutral, as a military expert.

Capt. LESTER. May I ask who that was?

Mr. VON MACH. Mr. Forbes Sutherland.

Then, I have a letter here which is dated August 14, 1917, which is written from New York:

MY DEAR VON MACH: I think I should at once inform you of a thing which has occurred here. My eldest sister, in a letter dated June 19th, just mentioned your name. She said nothing about you. The British stopped this letter for weeks, so that I only received it last week. The British cabled my name and address to their people here, with instructions to learn from me whatever I would tell about you. Detective Ranney, accordingly, called here to-day.

When I was asked yesterday what my profession was, I replied in the words of the French author who is now exiled in Switzerland, that he still considered himself an author, but a gagged author.

Senator NELSON. A what?

Mr. VON MACH. A gagged author. I have been absolutely successfully gagged. As soon as anybody finds out anybody else who simply knows me—a man like Mr. Ranney or like Mr. Hoffer, some agent of the British secret service, and I do not know but possibly of our Secret Service, arrives and gives the impression that I am a man who is subject to suspicion and it would be much wiser for anybody to keep away from me. It has even gone to the extent that one of your colleagues, Senator, has told people they had better keep away from me, because I was going to be the next one to be arrested. It has gone to the extent that agents of the Department of Justice in the office of the United States attorney in Boston very freely said that I was to be the next one to be arrested, and it would not be safe to be friends with me, and that if there was no law yet, the department would see that certainly a law would be passed by which I should be arrested.

Now, I took the matter up with the Attorney General, and in the letter from which I quoted yesterday I stated I was ready to explain everything, ready to submit my whole correspondence that I had, and all the books, and everything. None of my books were officially examined, none of my correspondence has been examined, and yet representatives of the Département of Justice——

Senator OVERMAN. You say you are looked upon by this country, and particularly by England, as a dangerous man?

Mr. VON MACH. Senator, by England. I do not believe that the Attorney General—I know that the State Department does not look upon me in that way.

Senator OVERMAN. But you say some one has been warned?

Mr. VON MACH. I do not know how that happens to come about but he probably has received such information, and I believe it is of this mixture of the British secret service with our service, and if the newspaper reports of the hearing here were correct, Mr. Bieask when he appeared before you, made the statement that he was going to speak from facts which were collected by the British secret service and by our own Secret Service, and there is an exceedingly widespread feeling, Senator, that it is not that our own proper officials have any suspicion of us, or after investigation have found that there is the least cause for suspicion, but it is because of these attacks on a foreign secret service.

Senator NELSON. Do you not think, Professor, it comes from the tenor of your books and your writings and your publications?

Mr. VON MACH. Why, Senator, if it came from the tenor of books——

Senator NELSON. Or publications.

Mr. VON MACH. I hate to draw into this hearing the name of the great man who has only recently died, but since I am not referred to what he said in any private letters to me, but to what he said publicly, I may do so. Now, this book, "What Germany Wants," which I wrote and to which this letter referred, that the Major read to why, Theodore Roosevelt himself publicly stated that to his mind was one of the most American books, written in the most American spirit; a book written in the spirit in which all such books should be written. He said that in one of his great articles in the New York Times long before I ever met him, and on the strength of my books having read them. He was not the man to jump at conclusions. I had heard of it; he bought the book; he read the book; and then he invited me to come and see him, and we had very pleasant correspondence about it. I do not want to refer to it here, but he, I think, would give you an entirely different idea. That is what he said publicly in the New York Times.

Now, that book was not offensive to America, it could not be offensive, but it was a book which was against the balance of power, which was against the idea of "in time of peace prepare for war," those very things that the President has accepted now.

And, Senators, only two days ago Rider Haggard published his last letter which Theodore Roosevelt wrote him, on December 6, and since that was published, although I have not seen it published in any of the Washington papers, it is perfectly proper to mention it here. In that letter of Theodore Roosevelt, written on December 6, he said:

MY DEAR RIDER HAGGARD——

Senator OVERMAN. What year?

Mr. VON MACH. Last December 6.

MY DEAR RIDER HAGGARD: In a moment of pessimism the other day I said I never wished to hear from any Englishman excepting——

And now the name has been deleted——

But that was because I had forgotten you.

Now, can you give any other explanation to that, than that this propaganda carried on by the secret service, which is all of this so-called German propaganda, which is in order to hide that, that even a man like Theodore Roosevelt, during the last days of his life was forced to say, on December 6, "In a moment of pessimism the other day I said I never wished to hear from any Englishman again"?

Senator STERLING. Do you think you have any justification in drawing any such inference from that letter of Theodore Roosevelt—the British system, the British detective system, or anything of that kind? Do you think for a moment, Dr. von Mach, that that has any relation whatever to England's conduct in this war?

Mr. VON MACH. No; but to England's conduct at the present time, sir.

Senator STERLING. To England's conduct at the present time? What conduct of England at the present time would evoke a statement like that from ex-President Roosevelt?

Mr. VON MACH. I do not know, but you Senators have it in your power to investigate what that really means. You Senators have it in your power to investigate whether there is any truth in the fact that these blacklists—

Senator NELSON (interposing). You must be mistaken. We are not spiritualists. We can not communicate with departed spirits.

Mr. VON MACH. No [laughing].

Senator STERLING. Dr. von Mach, I think that is a pretty fair example of the way you have distorted England's attitude, England's position, all the way through; her motives and so on.

Mr. VON MACH. What is that?

Senator STERLING. The improper inference or the unjustifiable inference you draw from that letter written by Col. Roosevelt is a fair example of the distortions you make of England's attitude all through, and that you have made from the start, from the very beginning.

Mr. VON MACH. Senator, my great wish would be in this matter, as in all others, for your committee, if it is possible without resort to spiritualism, to ascertain the definite truth, and I feel that the attacks which have been made here—I feel that the inferences which you have been asked to consider from the testimony presented are such that it is only fair to call your attention also to such things.

Senator OVERMAN. What do you allege that England is doing?

Mr. VON MACH. On that side of the table "England" is used, when on this side of the table I speak of "British secret service." Now, I believe that there is a fundamental difference. I believe that there is at the present time a certain very definite campaign on foot to thwart the President from keeping the word which he has pledged in his 14 points which have been accepted, and that the President's great wish and desire is to bring about such conditions that war in the future should become an impossibility, and that these conditions must be just the world over. I believe, judging by the papers, there is a very pronounced propaganda against that, and such a propaganda would not certainly spring up if there had not been a propaganda here before.

Senator NELSON. Do you not think the British secret service got their eyes on you and were watching you because you have been hounding England so much?

Mr. VON MACH. Senator, I did not hound England so much: in fact, I have not mentioned, in any of these statements that I have given you now, anything about the British secret service heretofore, but I believe that if you actually wish to get at the truth of the subject which you investigate, you can not do so without also looking at that. I may be mistaken in my views.

Senator OVERMAN. Do you think that England now has got a propaganda against the league of nations?

Mr. VON MACH. I believe so. But, Senator, it is a very difficult thing for me to come here and say "I believe," when I am immediately challenged by you with "Give the proofs. Who are your legal advisers who have the actual proofs?"

Senator OVERMAN. You said they are having a propaganda now and I wanted to know if you think it is against the league of nations?

Mr. VON MACH. I believe it is against the league of nations. It is counter to securing, so far as we can look into the future, a permanent peace.

Senator OVERMAN. You think a good deal of this agitation against the league of nations is being promulgated by the English people?

Mr. VON MACH. No; not by the English people.

Senator OVERMAN. By the British secret service?

Mr. VON MACH. Yes. A cablegram came over the other day: I forget now in which paper I read it, but it was to the effect that the people in charge of the Governments abroad were very much troubled by the fact that the President appealed directly to the people and to the consciences of the people and was undermining their attitude. That seems to me an exceedingly—

Senator OVERMAN. You mean the people that are in authority were promulgating this propaganda against the league of nations?

Mr. VON MACH. I should not wonder.

Senator OVERMAN. Is that what you mean by the propaganda?

Mr. VON MACH. I mean that this whole establishment in this country which goes under the name of British secret service, which has its tentacles everywhere, is at the present time—I do not know to whom—set in motion with the view of thwarting the peace aims of the President of the United States.

Senator NELSON. Do you feel that you are in those tentacles of the British secret service?

Mr. VON MACH. I feel that they would love nothing better than to squeeze the life out of me, sir.

Senator NELSON. Is that so?

Mr. VON MACH. I do believe that, sir. I know they have done everything to deprive me of my means of livelihood, to the greatest extent. And in connection with this British propaganda, I also want to read to you an editorial which appeared in the London Times, at which has to do with the committee of which we spoke yesterday.

Senator NELSON. Oh, let that go into the record without reading.

Mr. VON MACH. This is not a letter, sir; this is an editorial from the London Times.

Senator NELSON. I mean let it go into the record, but we have not the time to go into all this.

(The editorial referred to is here printed in the record in full. It follows:)

[From London Times, Dec. 31, 1915.]

CONDENSED-MILK AGITATION—REQUEST TO THE ALLIED GOVERNMENTS—"HOVERING" IN U. S. WATERS.

[From our own correspondent.]

WASHINGTON, *December 29, 1915.*

When Congress meets next week it will find the relations of the United States and Great Britain entering a new and important phase. The major portion of the blockade is at present in abeyance, but in its place have arisen various minor questions which, if mishandled, may give the German propagandists in the Legislature and elsewhere more formidable ammunition than has been afforded them by the generally academic annoyance of our procedure under the Order in Council.

One reason for this is that several of the questions will seem to the man in the street, unless properly explained, to raise questions of humanity rather than law. I have already mentioned Von Mach and his condensed-milk agitation. The State Department yesterday sent the American Ambassadors in London and Paris the following telegram:

"Ascertain and report promptly whether British (French) Government will permit the transportation of milk from this country to Germany and Austria, to be distributed to babies in these countries under the direction of the American Red Cross."

If we refuse leave, von Mach's propaganda will have scored a distinct triumph. Yet we surely have every right to refuse. For one thing the American Red Cross has got no units in Germany, and, therefore, no obvious machinery for distribution; secondly, the fact that the Central Powers are contiguous with Switzerland, the home of condensed milk, and great dairy countries like Denmark and Holland raises grave doubts as to the sincerity of the Teutonic complaints.

SEIZURE OF PARCELS.

A refusal too, will probably confront us with another problem. Our interference with the indirect parcel post service to Germany has already been made the subject of a sentimental German propaganda regarding Christmas presents, and our seizure of parcels for Scandinavian countries has already been the subject of informal protests on the part of the Government and today von Mach announces that he is preparing to send this week three tons of milk by the first class mail to Germany and Austria. The Germany has already tried to use the first class mail for smuggling, von Mach can, it is clear, be undertaking so uneconomical an adventure only in the hope of further tempting us to seize the first class mail, which would be a violation of the International Postal Convention.

Another controversy upon which, as already stated, the German propagandists stake a good deal concerns Red Cross rubber supplies for the Central Powers.

Maj. HUMES. Yesterday you were asked what the purposes were of this German University League of which you were a trustee and president.

Mr. VON MACH. Yes, sir.

Maj. HUMES. What were those purposes, as you understood them?

Mr. VON MACH. I have some papers here which I would like to refer to.

Maj. HUMES. I do not care for your papers. I would like to know what was your understanding of the purposes of that league.

Mr. VON MACH. My understanding of the purpose of that league was that it was to bring together those people in this country who, being familiar with the higher education in Germany, desired to bring about better feelings, if possible, between the two countries.

Senator OVERMAN. Did you read the by-laws published in the pamphlet? You were president of the league.

Mr. VON MACH. I was president for one year, but I do not know the by-laws, just as you might not be familiar with the by-laws of a club of which you are a member.

Senator OVERMAN. Have you read the charter?

Mr. VON MACH. No. Probably I have read it, but, as I told you yesterday, the league was formed in 1914, I understand, in such a way that only those who had studied in German universities were members of the league, and since I had never studied in a German university I was precluded from becoming a member of that league, and I was invited, I believe, in the—I wrote that to Mr. Becker the other day; I looked it up—I believe it was in the spring of 1915, to become an associate member.

Senator NELSON. Never mind that. Did you approve of the purposes of the league as announced in their by-laws.

Mr. VON MACH. I suppose I must have, but I am not aware of just what the by-laws are, but suppose the Major read it to us.

Maj. HUMES. The purposes, as set forth in the annual book of the league when you were a trustee, in 1915, are as follows:

(1) To establish in the United States a well-organized center for former students at German Universities and other German Institutions of similar standards in Germany, Austria-Hungary and other countries.

(2) To cooperate with every effort to strengthen the regard for the German and for their aims and ideals and to secure for them fair play and proper appreciation.

(3) To correct misinformation about German conditions and problems by placing before educated Americans and before the press of this country reliable material bearing on German affairs.

Now, the purpose was to strengthen Germany in the United States, was it not?

Mr. VON MACH. I think the purpose was to strengthen the good relations between the United States and Germany.

Maj. HUMES. In other words, it was to promote the propaganda program of the German Government in this country to that end, and to the extent of at least \$25,000 the German University League was financed by the German Government, through Dr. Albert: is that not a fact?

Mr. VON MACH. You told me that yesterday as a fact, and I told you, Major, that it was the greatest surprise to me possible, because during the year that I was president—and you probably have the record—I may have presided possibly at five or six meetings, and I know that the treasurer's report was always greeted with a moan and a tear, because we never knew where the money was coming from.

Maj. HUMES. But you knew that money came in an emergency?

Mr. VON MACH. No, sir.

Maj. HUMES. It always put in an appearance when there was an emergency?

Mr. VON MACH. No, sir. I can tell you a very definite instance. Once, when it looked as if a break between this country and Germany was imminent, I suggested a special meeting of the trustees of the German University League, and we decided to send a telegram, or rather a radiogram, to the rector of Berlin University, with the intention of having the German people understand more fully the American point of view and obviate such a break, and that radiogram cost \$100, and there was no money to pay for that radiogram.

we took up an individual subscription among the various members and we paid for it out of that fund. If there had been something like \$25,000 at the disposal of the league, I do not see why we should have collected this money.

Maj. HUMES. You also had a meeting shortly after the sinking of the *Lusitania*. Do you remember that meeting?

Mr. VON MACH. No, I do not remember, because at that time I believe I was not a member of the league.

Maj. HUMES. You were a trustee?

Mr. VON MACH. No, sir.

Maj. HUMES. What year?

Mr. VON MACH. As I told you, the first year, 1914 and 1915—I believe the annual meetings were held in the fall, and 1914 and 1915 I was not even a member—and I believe I joined the league, if I am not mistaken, as an associate member, somewhere——

Maj. HUMES. There is a list of officers in your own publication, in August, 1915 or 1916 [showing witness document].

Mr. VON MACH. Well——

Capt. LESTER. 1915 and 1916.

Mr. VON MACH. 1915 and 1916.

Maj. HUMES. Yes.

Mr. VON MACH. These were elected, and here is the report of 1915 and 1916.

Maj. HUMES. When did you have your annual meeting?

Mr. VON MACH. In the fall, always.

Maj. HUMES. You became an officer, then, in the fall of 1915?

Mr. VON MACH. I believe they elected me an officer, but I lived in Cambridge, and I was very little in New York, then.

Maj. HUMES. Then, how did it happen that you participated in the sending of this radiogram to Germany, if you were not connected with it?

Mr. VON MACH. I would say that was——

Maj. HUMES. This was on the 20th of April of what year?

Mr. VON MACH. You will probably find it in there. That was probably 1916. You see, sir, let me call your attention to those books. You are probably a little misled in that, because it was the custom of the executive secretary to bring out new books in the fall, after the new elections, and you will find the new elections for the coming year, and added to that the report of the past year, and the Major has been unintentionally misled by that. You see, for the new year my name would appear, and the record of the activities of the past year, with which I had absolutely nothing to do.

Senator NELSON. You do not deny, though, that this was financed from Germany?

Mr. VON MACH. It was the greatest surprise to me, Senator——

Senator NELSON. But you do not deny it?

Mr. VON MACH. How can I, when the Major tells me he knows it is so? Of course, there is a possibility that the Major is mistaken; but I can state most definitely and firmly that I had no idea. The Major probably has among the papers a letter which I remember writing when I was president, in which I said the one thing that troubled me most was the state of the finances of the league, and then I suggested that we set up a special appeal to the members to

get enough money. Now, if we had had those \$25,000, that letter would have been perfect nonsense. You have that letter, Major? But you can get it?

Maj. HUMES. I am not concerned about the letter. You also were a great believer in Prussia and Prussianism?

Mr. VON MACH. What do you call Prussianism?

Maj. HUMES. And you considered Prussia the brains of Germany, did you not?

Mr. VON MACH. What do you mean when you say "Prussianism"?

Maj. HUMES. I am accepting the term that you used in your addresses.

Mr. VON MACH. Sir, I would probably use the term "Prussianism" when I talked to people who had been abroad and who know that Prussia is the largest part, or was the largest part, of Germany, and that it included such varying centers as, for instance, Cologne on the Rhine, and Dantzic, and Königsberg on the north, and Berlin in the center, and the mountains of the Woevre on the west. That is a Prussia.

Senator STERLING. Prussianism means, if I may suggest, the dominance of Prussia in the affairs of the German Empire; in the politics of Germany?

Mr. VON MACH. I suppose if you use that term, it might mean that; but if there was such a safeguard in the constitution against the overbalance of power on the part of Prussia—now, if the question that the major asked intended to convey the impression that I was not as heartily in favor of the policy of south Germany as of north Germany, I think I can say no.

Senator STERLING. Germany, under the Kaiser, has been dominated by him, has it not?

Mr. VON MACH. Not in the sense in which Germany is used in this country; sir. You see "Prussianism" in this country, the term as it is generally applied, applies to the idea of an aristocracy interested especially in military affairs, and through the caste spirit and the military spirit, dominating the political life of a country.

Senator STERLING. Has not that been true during the last several years in Germany, that the military spirit, the autocratic spirit, has dominated German affairs—German politics—through the Kaiser and through his immediate supporters?

Mr. VON MACH. Senator, I believe that thorough investigation would prove to you that it was no longer, during the past 10 years, the aristocracy that dominated affairs, but that it was distinctly the rich business men.

Senator STERLING. Allied with the autocracy. The rich business men in alliance with the autocracy did dominate Germany, and they are really responsible for the bringing on of this war.

Mr. VON MACH. Senator, there is one definite thing, particularly, that makes it perfectly clear that in the sense you use it in, it was impossible. For instance, you remember that before war began—when the state of war was declared the Emperor, the King of Prussia, was not permitted to announce a state of war throughout the whole of Germany. He could announce that only through Prussia. And the King of Bavaria had to announce a state of war in Bavaria, because Bavaria was altogether independent.

Senator STERLING. That, Dr. von Mach, is a mere technicality, so far as that is concerned, and I think you will realize that it is. It is apart from the question of the domination of Germany and the German Empire by Prussia and Prussian influences.

Mr. VON MACH. Senator, Prussia was by far the largest part of Germany, and if the question simmers down to-day to the question, has Prussia, which was about three-fourths of Germany, dominated Germany, I have no doubt that is true.

Maj. HUMES. I call your attention to an extract from an address delivered by you to the German University League, from which I read as follows:

Prussianism has indeed conquered the world! Not the Prussianism which those who hate it and those who do not know it have painted for American consumption, and which in practice may have had its drawbacks, for mankind have never yet been able to put into practice without defects even the best of ideas, but the Prussianism which Cobden called "the brains of Germany."

And you further say:

The Germany of to-day has laid aside many foolish prejudices of yesterday. Then the Socialists were regarded as unpatriotic because they were opposed to the present form of Government. To-day everybody knows that the love of Germany beats as true in the heart of the Socialist as in that of the nobleman. Side by side they have given their lives for the Fatherland.

Mr. VON MACH. I thank you for having read those statements, because I think they are fine.

Maj. HUMES. Just a moment. At that time you were advocating Prussianism—the supremacy of Prussia; you felt that Prussia had conquered the world, and as a part of the German propaganda of that day, you were advocating the things that Prussianism stood for; and to-day, even now, you are advocating and promulgating the propaganda that Germany is supporting against England and against all the allies, in order to stir up trouble between them; and the Prussianism that you adhered to in 1914 and 1915 you are adhering to in your mind to-day, and you have been advocating from the stand as a witness before this committee, have you not?

Mr. VON MACH. I think I need not add anything to those passages you have read there. I subscribe to those passages.

Maj. HUMES. Is it not a fact that you are as consistently supporting the German propaganda of to-day on this witness stand as you were supporting it in the German University League in 1914 and 1915?

Senator NELSON. I want to help the professor a little.

Mr. VON MACH. Thank you, Senator.

Senator NELSON. Now, is it not true that after 1871 Prussia absorbed Mecklenburg, Pommern, Schleswig, and Hesse-Cassel and Hanover? Is not that true, that they were all absorbed by Prussia and became a part of the Kingdom of Prussia?

Mr. VON MACH. No, Senator; I beg your pardon; you made just one mistake there. You included Mecklenburg. Mecklenburg is not a part of Prussia.

Senator NELSON. But Pommern is?

Mr. VON MACH. Pommern has been, since 1871, a part of the Kingdom of Prussia; since—I am sorry that my memory fails me, but for over 200 years it has been.

Senator NELSON. And they took in Schleswig-Holstein?

Mr. VON MACH. Yes.

Senator NELSON. And Hesse and Cassel; and Hanover, that used to be a part of King George's dominions—King George the Third? They took all that country in, did they not?

Mr. VON MACH. Senator, you—

Senator NELSON. So that you were born a Prussian, were you not?

Mr. VON MACH. I was born a Prussian, in a part of the Kingdom of Prussia.

Senator NELSON. And you continued a Prussian until 1914?

Mr. VON MACH. Yes, sir.

Senator NELSON. And of course, such being the case, we can not blame you—I say this to help you out—we can not blame you for having the Prussian spirit.

Mr. VON MACH. Senator, I thank you very much. [Laughter.]

With that statement and with those terms as the Major has read them—and the Major has a wonderful control over his voice, putting emphasis and meaning into words which are sometimes meant to convey something that is actually not quite in the statement—but I call your attention to what Cobden calls "the brains of Germany." Now, that is my point, that whether you call it Prussianism, or whatever you call it, I am in favor of intelligent ruling of nationalities, am heartily in favor, and I did not know that I had expressed my admiration for the Socialists as I have expressed it there.

Senator NELSON. Evidently you are in favor of the Prussian system of government, are you not?

Mr. VON MACH. No, sir. I have always maintained—and it has always been a source of contention between my brothers and sisters and me—I have always maintained the novelty of having the sovereignty of the people gathered into the hands of one man.

Senator NELSON. Is that the fact in Germany, that in Germany they are gathered into one hand?

Mr. VON MACH. In the southern part.

Senator NELSON. How?

Mr. VON MACH. It has all been broken, now.

Senator NELSON. It is all broken, now; but before the war?

Mr. VON MACH. Before the war.

Senator NELSON. It was all gathered into one hand, was it not?

Mr. VON MACH. No. You see, Senator, you, with your great knowledge of European conditions, of course realize that Germany, before this present breakdown, was a federated state, and to distinguish, to make it perfectly clear that the German Emperor was not the monarch of Germany, the constitution did not give him the title of Emperor of Germany.

Senator NELSON. He was King of Prussia?

Mr. VON MACH. Of Prussia he was sovereign.

Senator NELSON. Yes; and being sovereign there he was the chief power, was he not?

Mr. VON MACH. Undoubtedly.

Senator NELSON. He ruled without a responsible ministry, did he not?

Mr. VON MACH. I suppose I may answer that question yes, although there are modifications.

Senator NELSON. And you said a moment ago that Prussia constituted about three-fourths of the German Empire, did you not?

Mr. VON MACH. That was, roughly, my impression.

Senator NELSON. Yes; so that three-fourths of the German Empire was under the King of Prussia, and he was practically an absolute monarch?

Mr. VON MACH. No; not an absolute monarch.

Senator NELSON. Well, nearly that.

Mr. VON MACH. I think you will find that he was more circumscribed in his powers than we are apt to believe, here.

Senator NELSON. Yes. Well, did that system of government that prevailed in Prussia meet with your approval?

Mr. VON MACH. It did not, sir.

Senator NELSON. Oh.

Mr. VON MACH. And it never has done.

Senator NELSON. Oh.

Mr. VON MACH. And it is because it did not——

Senator NELSON. Well, then, it seems to me that you ought to rejoice that the allies were attacking that system of government and undermining it.

Mr. VON MACH. Sir, that system of government was undergoing so many changes, which I believed would eventually lead to the kind of government which was more in keeping with the spirit of the age——

Senator NELSON. It seems to me that with your view of the Prussian Government that you say you have, instead of trying to perpetuate and build that up in this country, you ought to have been thankful to the Americans here for helping to undermine that system of government.

Mr. VON MACH. Senator, I have been very active, I thought, in trying to avoid duplicating an autocracy in this country.

Senator NELSON. Do you not think we will do them a lot of good in Germany and help the poor German people to get a more liberal government?

Mr. VON MACH. Senator, please do not speak of it. When one hears of all that blood and murder, and when I think of all the people here, and then I think of what has happened and what will happen, and the civil war, this could be no time when we should really rejoice over the calamities of another people.

Senator NELSON. Do you not know that that is a part of the gospel of Treitschke and Nietzsche, that war is good and wholesome, and the spilling of blood is good, and a nation that is not equal to going to war is not fit to live? [Laughter.]

Mr. VON MACH. Senator, if I have not yet succeeded in convincing you that that is not my doctrine, it is perfectly hopeless.

Senator NELSON. You are perfectly familiar with the writings of Treitschke and Nietzsche and Bernhardt, are you not?

Mr. VON MACH. Unfortunately, I have not those particular books, and have not studied those, but I know there has been so much of that kind all over the world, if the end of all this horror should be that all that Nietzsche and Treitschke—I believe those were the authors you named—will be swept away, I will say, "Thank God that there is nothing of that kind left."

Senator NELSON. Could not their gospel be epitomized in these words, "iron and blood"?

Mr. VON MACH. "Iron and blood" were words that appealed to the German people through a long period, and I hope very much that the idea of this iron and blood will be swept away entirely.

Senator NELSON. And you can thank Americans for that, can you not?

Mr. VON MACH. I believe——

Senator NELSON. Is not this war going to prove a great blessing to the German people?

Mr. VON MACH. I believe that one of your colleagues, Senator. who talked——

Senator NELSON. No, no; never mind my colleagues.

Mr. VON MACH. Well, Senator, a great blessing? It would be so easy just to say yes or no to you and let it go at that and win your approbation; and yet it would not serve you to get an insight, really, into the minds of people of whom there are hundreds of thousands in this country. It is not only that I should just answer yes or no; but what you want to get at, you want to show how it is everything of that kind appeared in the minds of the American citizens of German birth in this country.

Senator NELSON. Do you think it is a good thing for the German people to get rid of the Kaiser?

Mr. VON MACH. I think the way they got rid of the Kaiser was an unfortunate thing for the German people.

Senator NELSON. Yes.

Mr. VON MACH. But I believe that if the President is enabled to carry out his ideas which he apparently has now, for the world is a whole——

Senator NELSON. You do not give me a straight answer. Do you think it was a good thing for the German people to get rid of the Kaiser?

Mr. VON MACH. I answered that, Senator.

Senator NELSON. No; you have not answered it.

Mr. VON MACH. I beg your pardon. I said I did not think it was a good thing for them to get rid of the Kaiser in the way in which they did get rid of him.

Senator NELSON. Oh, that is it. You mean, force him to abdicate?

Mr. VON MACH. I do not believe, Senator, that the forcing him to abdicate was really done in a way according to the spirit of democracy.

Senator NELSON. What you mean is that it was not done constitutionally? [Laughter.]

Mr. VON MACH. No, sir. But, Senator, you would do me the greatest favor if my name can be connected with the idea of standing for the Constitution. Whether it hurts or whether it does not, I am delighted. That is what I swore and that is what I cling to.

But you, Senator, wish to ask me about the views of other countries. What I am especially interested in is our own country.

Senator OVERMAN. How would you have gotten rid of the Kaiser?

Mr. VON MACH. By becoming an American citizen, sir.

Senator OVERMAN. By bringing him over and making him an American citizen?

Mr. VON MACH. No, sir; I said, by myself becoming an American citizen.

Senator OVERMAN. You said that it was unfortunate, the way that we got rid of him.

Mr. VON MACH. I beg your pardon; you have twisted the question around again. Senator Nelson asked me the question, how the German people got rid of the Kaiser, and now you say how we got rid of him. [Laughter.]

Senator OVERMAN. I mean the allies.

Mr. VON MACH. Senator, all these questions conflict with a firm determination I made the moment Congress voted to go in the war, when I said: "My feelings, my beliefs—leave that entirely to a later time. I will not express those. Publicly we are now at war, and we are all in the same boat, and it would be perfectly foolish to ignore." Whether we believed up to that moment a different course should be taken, the moment a certain course had been taken that course had to be carried out for a successful end and in such a fashion that the United States should, when taken over——

Senator OVERMAN. You have stated all of that. Now, what else have you got to state? We want to get through with this.

Mr. VON MACH. There has been a great deal said, according to the accounts, before your committee also about the desire of establishing newspapers in this country; and the implication, as I understand, has been of having newspapers in this country which would be distinctly German papers, and in that way would undermine the sound public opinion of the United States. Now, I have been connected, more or less merely asked to join, here or there, with various attempts to establish papers. I was asked when Dr. Schweitzer, as chairman of the committee, tried to get public subscribers for the purpose of establishing a daily paper in New York.

Senator NELSON. A German paper?

Mr. VON MACH. No, sir.

Senator NELSON. An English paper?

Mr. VON MACH. An American paper.

Senator NELSON. An English paper?

Mr. VON MACH. No; not an English paper; an American paper.

Senator NELSON. I mean a paper in the English language and not in the German language.

Mr. VON MACH. No, sir. I was never active, because that was during the time I was living in Cambridge, and the committee was working in New York. The committee in New York found it impossible to raise enough money by public subscription to make it worth while to start the paper, and the enterprise was abandoned.

In Boston we had a paper which at the present time has been joined with the Boston Herald, namely, the Boston Journal. It was the paper which, during the Progressive campaign of eight years ago, had been in the hands of Mr. Munsey, a very strong and prominent supporter of Mr. Roosevelt. Then Mr. Munsey sold the paper, and it was eking out a very precarious existence; but the editor, now I believe in the United States service, a Mr. Green, was to my mind one of the fairest men, and a man who desired to present to the American people, to his readers, exactly the views which he believed to be true. You have heard, I believe, the man who was business agent of that paper, namely, Mr. Ware, and a good many times when the paper was on its last legs and had not any means of

paying for the paper bills and for the salaries, Mr. Ware would be up his various friends, calling on them, and he had been one of my various pupils, and that is why I happened to know him, and he came to see me several times to see whether I could not introduce him to influential people, and to see whether it would be possible to get a loan, or to sell some stock to keep the paper going.

In this connection, of course, in Boston there was very little money; there are very few people of means of German descent there, so that it was natural for me to refer him very largely to people in New York, and he was up until the very end always able to see some people to loan him the money.

Senator NELSON. Who were those people?

Mr. VON MACH. I do not know; you would have to ask Mr. Ware. I introduced him to some people in Boston, but it generally was further introduction——

Maj. HUMES. Did you ever put him in contact with Mr. Edg. Spier?

Mr. VON MACH. No.

Senator OVERMAN. Von Bernstorff or Albert?

Mr. VON MACH. I was just going to mention this, that I took the question up once through a friend. It was at a time when I knew Dr. Dernberg very slightly. As I told you yesterday, I suppose I met him only three times, and this was before I met him, and I took the matter up with a friend and asked him through a letter whether through business circles in New York Dr. Dernberg could possibly secure a loan for Mr. Ware. This has been mentioned in the paper, but what now comes has not been mentioned, and it is due to that. Mr. Ware, after this letter was gone, took me up to see Mr. Green, and, mind you, it was Mr. Green's paper, with all the money that he had in it. He had, I believe, \$15,000 or \$20,000 in it, and within a few days it meant practically the loss of his paper, and when Ware came out and told him that I had been kind enough to see whether Dr. Dernberg could not interest some of these people, Green said, "I have always run an independent paper, and although I understand Dr. von Mach or those friends would not put a string to their loan, still Dr. Dernberg is not an American citizen; he represents a foreign government; and while our country is neutral, I do not feel that it would be fair for me, even for the sake of keeping my paper going, to accept such a loan," and Mr. Green went there and then turned it down. As a matter of fact, nothing has come of it, anyhow.

I took this matter up with Dernberg the last time I saw him, because I had a plan which I believed would be of great benefit. Practically all our news in this country, even in times of peace, comes naturally, in a broad, natural way, to us via London, and I thought it would be very desirable, if it would be possible, to have one of our big newspapers make a perfectly public and open connection with one big paper—say, the Frankfurter Zeitung—and I wanted very much to see, with Dr. Dernberg, whether he could not interest the Frankfurter Zeitung, for instance, which is a very liberal organ in Germany, to get interested in a paper here; and the paper which I always had in mind, and concerning which I have written a great deal, and therefore, possibly, the major has a great many let-

from me on that subject. I asked a very well-known publisher in Boston to investigate—a man with the very honored name of John Quincy Adams—and Mr. John Quincy Adams made a report to me; and while of course you gentlemen do not wish to hear that report, still, if you care, I would like to put it in the record, because there you will see what kind of paper I had in mind and how I thought this paper could be run. But the additional thing of importance is that when I had my talk with Dr. Dernberg, before I had entirely outlined it to him, before I had finished, when I wished to point out to him that I wished his interest in merely interesting the *Frankfurter Zeitung* in getting interested in this, Dr. Dernberg thought I might ask whether he, or through him German money, might be available for the purchase of papers in this country, and he told me very distinctly that that would be entirely impossible; and it is because of this conversation with Dr. Dernberg that I can not give any credence personally to the belief of the charges which have been made against Dr. Rumely and in the interest of the *Evening World*; and I came in contact with Dr. Rumely, and I believe that, since that whole question of newspapers has been broached here, it is only fair that I tell you what Dr. Rumely told me and how this came about. Of course, I can no more vouch for the truth and accuracy than the mere fact——

Senator WOLCOTT. Just a moment.

Mr. VON MACH. Yes.

Senator WOLCOTT. I would like to ask you a question. You are in no wise concerned with this *Evening Mail* matter, are you?

Mr. VON MACH. No, sir; none whatever.

Senator WOLCOTT. Do we want to consume our time with this, then?

Senator NELSON. No.

Senator WOLCOTT. You want to appear in defense of Dr. Rumely, it seems.

Mr. VON MACH. No; but you are investigating this question——

Senator WOLCOTT. But you are only going to repeat something that was told to you, about the truth of which you know nothing.

Mr. VON MACH. Is it not of importance to know what a certain person said definitely at a certain time?

Senator WOLCOTT. That is, what Dr. Rumely said?

Mr. VON MACH. Yes.

Senator OVERMAN. We have plenty of proof against Dr. Rumely now.

Senator WOLCOTT. You want to tell something about Dr. Rumely?

Mr. VON MACH. Yes, sir.

Senator WOLCOTT. Why does he not come here and be sworn and state his case?

Mr. VON MACH. I am not particular about going into that; but the question of the newspapers has been mentioned before you here, and I thought that it might be to your interest, since I have been connected with various of these attempts in regard to newspapers to get——

Senator OVERMAN. You have stated that you tried to get money and could not. Now, we have the proof that he did get the money, so that there is no use to say anything more about that.

Mr. VON MACH. All right, sir. In regard to the German University League which the Major began there, I have here the question of money which concerns me very much, because if I were the president of a league and this league received German Government money, even though the position of president, of course, was merely an honorary position, I feel that to a certain extent I am responsible. Now, I do not give it credence that the German University League, as such, has received money, and I would like very much to have you Senators call for the books of the German University League, which must be in the possession of Maj. Humes, and get——

Senator OVERMAN. That has been testified to here by witnesses.

Mr. VON MACH. It has been testified to?

Senator OVERMAN. Yes.

Mr. VON MACH. That they had received the money?

Senator OVERMAN. Yes.

Senator NELSON. Why, yes.

Mr. VON MACH. As an actual, definite fact?

Senator OVERMAN. Yes.

Mr. VON MACH. It is to me inconceivable, Senator, because I can tell you this definitely, that the German University League, so far as the trustees went, to pass any vote——

Senator OVERMAN. It is true that that has been testified to by witnesses, Maj. Humes?

Maj. HUMES. Yes.

Mr. VON MACH. Major, did you find anything anywhere among the records that the trustees, of whom I was one, had in any meeting voted to disburse this money or had disbursed this money of those men?

Senator OVERMAN. No; we have nothing of that sort. It has just been shown that they got the money; that is all.

Mr. VON MACH. Who got the money? Our treasurer certainly never got the money.

Maj. HUMES. The German University League. Dr. Albert's records show that.

Senator WOLCOTT. The books are not before this committee.

Maj. HUMES. No. But we have Dr. Albert's records.

Capt. LESTER. Mr. Bielaski produced the records as from the books of Dr. Albert.

Mr. VON MACH. I can only say that during the year that I was a member of the board of trustees of that university league there never has been any of that money, so far as I know, spent, and certainly I can speak with absolute certainty of those meetings which I personally attended.

Senator WOLCOTT. Do you know where the books are?

Mr. VON MACH. No; but I suppose that the books would be in the office at No. 225 Fifth Avenue, and that they would be in the charge of Maj. Humes.

Senator WOLCOTT. You have not the books, of course, Maj. Humes?

Maj. HUMES. I have not seen the books.

Senator WOLCOTT. Mr. Bielaski, at the Department of Justice, has them, I suppose.

Maj. HUMES. If any department of the Government has them, it is the Department of Justice.

Mr. VON MACH. Really, Senators, in the interest of the people who were the trustees of that league, I urge you and ask you and request you to look at those books, because those books must be in existence, and there was never any money——

Senator OVERMAN. We have not got the books. You have got charge of them—your league.

Mr. VON MACH. But I have not, Senator. Those books have been taken away, I mean.

Senator OVERMAN. Are you no longer president?

Mr. VON MACH. No; the presidency of this is nothing but an honorary position.

Senator OVERMAN. You ought to know who has them.

Mr. VON MACH. The man presided, and that was all there was to it.

Senator OVERMAN. You were the custodian of the books?

Mr. VON MACH. But I was not president the last year. Dr. Boldt was president.

Senator OVERMAN. I suppose you corresponded with Dr. Boldt?

Mr. VON MACH. No; I did not correspond with Dr. Boldt. I asked him once what had become of the books, and he said that they had been seized. They must be accessible.

Senator WOLCOTT. I understand you to challenge the accuracy of the statement that the books will disclose that this Germany University League received any money directly or indirectly from the German Government?

Mr. VON MACH. Yes.

Senator WOLCOTT. You challenge the accuracy of that statement, and you would like——

Mr. VON MACH. Senator, may I perhaps qualify that to the extent of saying from the time that I became a member of the league and was elected as a trustee, which was in 1915?

Senator WOLCOTT. Yes; and you would like to have the committee have the books examined?

Mr. VON MACH. Yes.

Senator WOLCOTT. To see if the books do bear out that statement of Mr. Bielaski's?

Mr. VON MACH. Yes.

Senator WOLCOTT. It seems to me the request is a reasonable one, Mr. Chairman, if the books are in the hands of Mr. Bielaski.

Senator OVERMAN. He says the entries appear on the books there.

Senator WOLCOTT. Who says so?

Senator OVERMAN. Mr. Bielaski.

Mr. VON MACH. Excuse me, Senator, those are the books of Dr. Albert.

Senator OVERMAN. The books of Dr. Albert, he says——

Senator WOLCOTT. Not the books of the German University League.

Maj. HUMES. My recollection is, Mr. Chairman, that Mr. Bielaski said the entries in the books of the league were very meager. That is my recollection of his statement. He based his statement that the money was paid on the books of Dr. Albert, which showed the payment of the money.

Mr. VON MACH. Gentlemen, you are not interested in it, but I have here one of those many circulars which were sent out to fellow members asking for money——

Senator WOLCOTT. Just a minute. I would like to ask if the committee has any objection to having Maj. Humes request Mr. Bielaski to let him see the books of the league, and report to the committee and put into the record whether or not the books of the league disclose the receipt of moneys from Albert or any other German agent.

Senator STERLING. I would suggest, also, that it be ascertained just what Mr. Bielaski's testimony was on that proposition.

Maj HUMES. Yes.

Senator WOLCOTT. We will try to clear up the point with respect to the books.

Mr. VON MACH. Thank you. That is all that I want; and that, I think, would completely clear the names of those trustees who were there during that time.

That is all that I wish to present to you, gentlemen.

Senator OVERMAN. Who is the next witness?

Maj. HUMES. Mr. Becker is here, Senator. This is the time fixed for his appearance.

Senator OVERMAN. Very well. We will hear him.

Mr. VON MACH. May I be permitted, Senator, to ask if your committee will permit Mr. Becker to testify once more as to the finances of the citizens' committee for food shipments, whether, after further examination, he has not completely convinced himself of the honesty of the administration of the finances of that committee.

Senator OVERMAN. If you will prepare a question I will ask it.

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Mr. VON MACH. Has Mr. Becker had a chance thoroughly to examine the administration of the finances of the citizens' committee for food shipments, and has he satisfied himself as to the honesty of the administration of those funds?

Mr. BECKER. My answer is no to both parts of the question.

Mr. VON MACH. Since he answers no to the first part of the question, will the committee ask him whether he had not had the opportunity of satisfying himself on the finances completely before appearing before your committee and broaching the subject?

Mr. BECKER. I had not the opportunity of examining the books, nor had I the opportunity of examining the books of Dr. Albert. Mr. Bielaski's testimony was from far greater knowledge than I had on this subject.

Mr. VON MACH. Would the committee be also good enough to ask him where the books are at the present time?

Mr. BECKER. I do not know.

Mr. VON MACH. As the executive chairman of that committee, as that being a charitable organization, and the contributions to the milk fund having been sent from all over this country, and some people who found it very hard to spare the money, and this question having been—

Senator OVERMAN. Just ask your question.

Mr. VON MACH. Will your committee please be good enough to ask for those books, to enable me to find out how the money has been spent and that there may be no doubt in the minds of anybody—

Senator OVERMAN. Where are the books?

Mr. VON MACH. I do not know.

Maj. HUMES. The only testimony on this subject was that there was a fund of from \$25,000 to \$30,000 raised by this committee for the purpose of shipping milk, and that the milk that was shipped amounted to only a few hundred dollars, and that was sent by mail.

There was no allegation of personal dishonesty on the part of anyone. The only natural inference to be drawn—and I think it was drawn by Mr. Bielaski—was that the fund was evidently not used for the purpose of shipping milk, because there was only one shipment made. Mr. von Mach has vindicated that statement by saying that they found that they could not send the milk and turned the balance of the fund over to Ambassador Bernstorff. That accounts for the balance of the fund. I think there is no dispute on the subject.

Senator OVERMAN. Then that will do. We have had all of that.

Maj. HUMES. Outside of the administrative fund of about \$1,100, that was expended in carrying on the work, to collect the fund, and in sending approximately \$1,000 worth of milk to Germany, approximately \$18,000 was collected and turned over to Bernstorff.

Senator OVERMAN. Those are the facts, and that is sufficient on that.

Senator WOLCOTT. There is no testimony in here that impeaches the honesty of any of the men who were running that committee. Nobody has charged that anybody kept the money and pocketed it or misappropriated it in any wise.

Mr. VON MACH. Mr. Becker has apparently not charged it before the committee, but he has charged it in New York newspapers, and——

Mr. BECKER. I have not.

Senator OVERMAN. Mr. Becker says that he has not. That is sufficient on that.

Mr. BECKER. I would like to make a statement with reference to a letter that I received from the chairman of the committee before any further testimony is given.

Senator OVERMAN. Very will; proceed.

Mr. BECKER. I received a letter signed by the chairman of the committee, as follows:

UNITED STATES SENATE, *January 6, 1919.*

HON. ALFRED A. BECKER, *Deputy Attorney General,*

New York, N. Y.

DEAR MR. BECKER: At the instance of Senator Reed I request that you bring with you to Washington all letters rogatory, received by the Attorney General from the French Government or its representatives in the Bolo Pasha and Humbert cases; also produce all those original memoranda and affidavits which you referred to as "rough drafts", being the preliminary draft of the testimony of the witnesses whose depositions you afterwards took, and which were intended to connect Mr. Hearst with the Bolo Pasha or Count von Bernstorff; also bring with you and produce any written reports or written memoranda made to or by you regarding the testimony of the witnesses last referred to.

I also request that you give us all the original reports upon the testimony of the two witnesses whose affidavits have been referred to in the testimony, namely, Harry Block and Charles Frederickson; and also bring with you, if it can be ascertained, the present addresses of the last two named witnesses.

I have brought with me, as requested, all letters rogatory that I have received from the French Government, to the number of something over 20.

I may state, however, that I shall not be able to make public a considerable part of the Humbert letters rogatory, on account of their containing confidential matters that are still in process of investigation. For instance, one of them contains a considerable extract from the confession of Bolo Pasha, which is kept an absolute secret by the French Government.

As to the original memoranda and affidavits which were referred to as rough drafts, being the preliminary draft of the testimony of the various chauffeurs, etc., they were destroyed immediately after the depositions were taken, in August, and I am unable to present them. I wish to correct my testimony. I have looked up a report of an investigator, and I find that I was in error as to when these were taken. They were taken on the 15th of June, 1918.

Senator STERLING. What was the statement in your testimony as to when they were taken, Mr. Becker?

Mr. BECKER. I thought, about March.

Senator REED. June 15, when, did you say?

Mr. BECKER. 1918.

Then: "Also bring with you and produce any written reports, or written memoranda made to or by you regarding the testimony of the witnesses last above referred to."

There never were any such. There were verbal reports given to me concerning interviews with these witnesses which I never committed to memory, except that the records of my office would show that the reports were made. They began in December, 1917, and there were others in February and March, 1918.

Senator REED. What were those dates, again?

Mr. BECKER. December, 1917, and about February and March, 1918.

Senator STERLING. Your records, then, do not contain the reports themselves, but just simply make a statement of the fact of the report?

Mr. BECKER. Yes; that is, they make a statement of the fact that the investigator saw some of these witnesses; that is all; and of course I know that it was reported to me at the time.

As to the original reports upon the testimony of the two witnesses—Block and Fredriksen, there never were any.

As to the present addresses of the two last-named witnesses, the best I can state is that, so far as I know, they are the same as shown in the depositions. The depositions contained the then address—that is, in August—of every person who was examined.

I made an effort to locate these witnesses, and when I left New York there was not a final report on it, except that I know that the investigator had seen Fredriksen and had learned from him facts which tended to indicate that certain persons interested in Mr. Hearst already knew how to reach him.

Senator REED. Who were those persons interested in Mr. Hearst who knew how to reach him?

Mr. BECKER. The district attorney of New York and one of his assistants.

Senator REED. Will you now, please, present the letters rogatory?

Mr. BECKER. In the Bolo case the first ones are completely executed, and there is no reason that they should not be turned over in full.

Senator REED. Let me have those about which there is no question first.

Mr. BECKER. Here they are [handing papers to Senator Reed]. The second is in French. I have here an original and a duplicate.

Senator REED. Have you a translation?

Mr. BECKER. No; I have not any translation. I do not think there ever was one. I can translate it for you if you wish.

Senator REED. You have handed me now what purports to be a translation of the first letters rogatory, which were dated the 15th of June, 1917. I desire to read them to the committee. [Reading:]

MILITARY GOVERNMENT OF PARIS.

I. Pouchardon, captain in charge of reports to the third permanent Court Martial of the Military Government of Paris.

Whereas there is an indictment against Marie Paul Bolo, accused of entertaining relations with the enemy, a crime defined and punished by article 205 of the Code of Military Justice and article 77 of the Penal Code.

Give Rogatory Commission to the competent American authorities to the effect that they may be pleased to inquire from the following parties:

1st. G. Amsinck and Co., bankers, New York City.

2nd. The New York Branch of the Royal Bank of Canada.

3rd. J. P. Morgan and Co., bankers, New York City.

Whether they have now or whether they have had an account in the name of Marie Paul Polo alias Bolo Pacha, or in the name of Mr. Bolo, and in case they have or they have had such an account, to request them to furnish a copy of the same, said copy to be transmitted to this Court Martial.

From information obtained, it appears that between the 14th of March and the 3rd of April 1916, a total amount of \$1,683,000, in round numbers, may have been transferred from the bank of G. Amsinck and Co. to the branch of the Royal Bank of Canada, to be placed to the credit of the account of Paul Bolo.

It is believed that out of said amount, on the 14th of March 1916, a first sum of \$170,000 was deposited with J. P. Morgan and Co., to the credit of Paul Bolo's account.

It is also believed that on the 18th, 21st and 24th of March 1916, three successive transfers were made to the Comptoir National d'Escompte de Paris, branch T, to the credit of Madame Bolo, in sums respectively of \$168,000, \$169,000, and

It is further believed that on the 14th of April 1916, a last transfer of one million dollars was made by the branch of the Royal Bank of Canada to J. P. Morgan and Co., to the credit of Bolo's account.

Is the above information correct?

On what dates has Bolo deposited funds or caused funds to be deposited with G. Amsinck and Co.?

Was the last deposit made before August 2nd 1914? Where did the funds come from? Under what conditions and in what form were they entered in the books of G. Amsinck and Co.?

Dated, Paris, Palace of Justice, the fifteenth of June 1917.

(Signed) POUCHARDON.

(L. S.) Seal of the 3rd Court Martial of the Military Government of Paris.

A true translation. Washington, August 11th, 1917. The Vice-Consul, in charge of the Chancery of the French Embassy.

(Signed) HENRI ABEL BERGERON.

I call attention to the fact that the sole matter to be inquired into here was the question of the source of these funds, and the deposits of the funds, and the transfer of the funds.

You have handed me the second and final letters rogatory in the Bolo Pasha case, which appear to be in French, and you stated that you could translate them?

Mr. BECKER. Yes.

Senator REED. I will thank you if you will.

Mr. BECKER. May I explain first that we thought that possibly the first letters rogatory were not broad enough, and consequently communicated with the ambassador, who so advised his Government.

Senator REED. That is, the French ambassador?

Mr. BECKER. And before taking any evidence in the case there were issued second letters rogatory, intended to be broader.

Senator REED. That is this document that I now have in my hand?

Mr. BECKER. Yes; and the contents of these were communicated by cable on the 4th of October, which was the date they were issued, so that we had it immediately, and immediately acted upon it.

Senator REED. The 4th of October, 1917?

Mr. BECKER. Yes.

Senator REED. That is 1917?

Mr. BECKER. Yes.

The translation is as follows:

MILITARY GOVERNMENT OF PARIS, THIRD COUNCIL OF WAR.

I. Bouchardon, captain in charge of reports, to the third permanent Council of War, Martial of the Military Government of Paris,

Whereas there is an indictment pending against Marie Paul Bolo, accused of entertaining relations with the enemy, a crime defined and punished by articles 77 of the Penal Code and 205 of the Code of Military Justice,

Whereas we have given our Rogatory Commission, under date of the 27th of June, 1917, in the same case, give Rogatory Commission to the competent American authorities to the effect of extending the investigations, verification and transcripts of accounts demanded to all companies, institutions or persons in a situation to illuminate justice.

Paris, Palace of Justice, the fourth of October 1917.

(Signed)

BOUCHARDON

And then there is a note:

We desire that, in consideration of the urgency, the text of the present Rogatory Commission be cabled.

BOUCHARDON

Senator REED. That additional letter rogatory being the last of which you have just read, was sent in response to a communication which you made, or which your office made, to the French authorities?

Mr. BECKER. Yes.

Senator REED. Was that a communication in writing, or orally?

Mr. BECKER. It was the result of an oral interview with Ambassador Jusserand.

Senator REED. You did not give any memorandum or write any letter to Ambassador Jusserand in regard to this matter?

Mr. BECKER. I will look and see. I have everything of that kind here. [Examining papers.]

No. The first communication that we had was the 4th of October, 1917, as far as it is in my files.

Senator REED. That is, if I understand your answer, Mr. Becker, you mean to say that you did not write anything to Ambassador Jusserand or to the French Government in regard to the necessity for desirability for second letters rogatory?

Mr. BECKER. I did not, myself.

Senator REED. Was such a thing done from your office, the office of your chief?

Mr. BECKER. I am not positive, but I do not think so.

Senator REED. Who was it who made the representation to Ambassador Jusserand to which you have just referred?

Mr. BECKER. I shall have to stop and think, to try to recall it. My best impression is that it was Mr. Robert Morris—this may be in error but my impression is that it was Mr. Robert C. Morris—an attorney in New York, who is an expert on international law and has intimate knowledge of French affairs, and who was retained for that reason by Mr. Lewis, the attorney general. It is my impression that he was the one who conferred with Ambassador Jusserand. That is all subject to correction. It may not be right.

Senator REED. Well, if the communication was not made in writing to Ambassador Jusserand, if you did not make the communication orally, if you do not know who did make the communication orally, how do you know what the communication was?

Mr. BECKER. Because it was a subject of discussion between me and the ambassador subsequently.

Senator REED. Exactly. Subsequent to this, you had a talk with the ambassador. Now, what did you say to the ambassador?

Mr. BECKER. Well, now, as to that, I am in this position: We were not technically attorneys for the French ambassador, but that was the substantial relation; and after the last hearing I sent a cablegram to Mr. Jusserand, who is now in Europe, as follows:

DECEMBER 26, 1918.

Mr. J. J. JUSSERAND,
Ambassador aux Etats-Unis,
% Ministere des Affaires Etrangeres, Paris, France.

Please cable whether you deem it proper I should read before Senate Committee investigating German propaganda our confidential correspondence between October 1917 and April 1918 regarding application of letters rogatory in Humbert case to Bolo Bertelli Humbert Hearst investigation.

ALFRED L. BECKER.

I subsequently received, through the French consul general at New York, a cable as follows:

PARIS, 30 Decembre 1918.

From Mr. JUSSERAND for Mr. BECKER, *Assistant Attorney General.*

Please see that no communication take place both on account of a correspondence of the private character which I have not with me and because the Humbert case has not yet been adjudged. Best compliments.

JUSSERAND.

Under the circumstances, I really feel that I ought not to disclose any of my correspondence or conferences with Mr. Jusserand.

Senator REED. Let me ask you—I am inquiring now in regard to the transaction which produced the letters rogatory which were wired to you on the 4th of October and which have to do with the Bolo Pasha case; and the Bolo Pasha case is now ended and Bolo Pasha is now executed, and you say, or have said, that those letters could be made public concerning that matter.

Now, you had not, on October 4, 1917, yet taken up the Humbert case at all, had you?

Mr. BECKER. I do not think there was any Humbert case.

Senator REED. All right. I am asking you now for communications between you and Ambassador Jusserand at the time. If there was no Humbert case, why do you insist that your telegram is privileged?

Mr. BECKER. There is nothing in that telegram that bears directly on it, but it manifests a policy which I think should be extended to

what previously occurred and what was learned by the prosecution of the Humbert case. You see the Humbert case grew directly out of the Bolo case. It is the same conspiracy.

Senator REED. Humbert's case had not been even mentioned to you at Chicago as regards the extension of the letters rogatory, all what I am asking is what you said about the extension of the letters rogatory in the Bolo Pasha case.

Mr. BECKER. I object to the question on the ground that under the circumstances it should be privileged, being in the nature, although not strictly, of communications between attorney and client, and, furthermore, on the ground of governmental privilege.

Senator REED. Let us see. A governmental privilege for a communication between an officer of the State of New York and the French ambassador, and that to be insisted on in a hearing before the United States Senate committee which is investigating the subject matter. I insist that for these gentlemen to give out just what they want to give out and hold back just what they want to hold back does not accord with my opinion of what is fair.

Senator OVERMAN. When was your communication?

Mr. BECKER. On Sunday, October 7, 1917, at the French Embassy in Washington. I am going to keep faith with the French Government. I would rather run the risk of prosecution for contempt than incur the displeasure of Mr. Jusserand, as I know I would if I entered upon any discussion of these matters.

Senator OVERMAN. Is Mr. Jusserand referring in this cablegram to matters about which you ask?

Senator REED. If you will notice the language of the cablegram to Mr. Jusserand, the witness refers to both the Bolo Pasha and the Humbert cases, and asked permission, or asked information of Mr. Jusserand about giving out matters in connection with those two cases. Now, I have not made any inquiry in regard to the Humbert case up to this time, that being a case still pending. What I am asking now is in regard to the letters rogatory issued in the Bolo Pasha case long before the Humbert case was heard of, and the conversation I am asking for is a conversation touching that subject—that is, the broadening of the letters rogatory—and I insist that it is not privileged under any rule of law, and would not be privileged in any court of justice, and most certainly is not privileged in an investigation of this kind where the Senate of the United States is looking into the broad matter of German propaganda.

Senator OVERMAN. I understood that this conversation took place on the 5th of October in regard to the Humbert and the Bolo case together.

Senator REED. No, sir; the Humbert case had not been heard of as the witness states.

Senator WOLCOTT. As a matter of fact, Mr. Becker, was the Humbert case in its facts identical, substantially, with the Bolo case?

Mr. BECKER. Same thing.

Senator REED. You mean to say yes. You have exposed the Bolo case and done it voluntarily upon the witness stand, if your last answer is correct. Then you have told all there is in the Humbert case, if they are identical.

Mr. BECKER. I did not say that they are coextensive, but I said that all of the Bolo case which was made public has an element

truth in the Humbert case, in all probability. I am not in charge of these things for the French Government, and you must take everything that I say as sub-rosa in that respect, and it is a fact unquestionably that the Humbert conspiracy and the Bolo conspiracy were part of the same conspiracy, and the question as between the two is one of scienter. Bolo's scienter was proved. Humbert's scienter remains to be proved. In other words, did he know it was German money?

Senator WOLCOTT. That is the only distinction between the two cases?

Mr. BECKER. Except that the Humbert case takes a much larger range—involves other matters that were not present in the Bolo case.

Senator WOLCOTT. Now, I would like to have Senator Reed's views of the materiality of this question that he has asked. I understand the question to be designed to elucidate the conversation between Mr. Becker and the French ambassador regarding the advisability of extending these letters rogatory. You spoke of the letters rogatory. What difference does it make, really, what was said on that point, for the purpose of this investigation?

Senator REED. This difference. These letters rogatory which were read here, and which were the sole authority that the attorney general of New York had to take these affidavits and depositions which have been much discussed——

Mr. BECKER. There is an error in that, you know, because Bolo was dead before they were taken, and we regarded the Bolo case as extinct. They were not taken under Bolo's letters rogatory at all.

Senator REED. Now, let me make my statement. This gentleman appears here and says that he took certain testimony in the case of Bolo Pasha, and his sole alleged authority for taking the testimony in the Bolo case was the letters issued by the French Government. He has sworn here if he is under oath, and if he is not under oath he has stated here, that he took that testimony in the Bolo Pasha case.

Mr. BECKER. You can not find anything like that in the testimony. There is some error about that.

Senator REED. That error was in your statement, then.

Mr. BECKER. Now, I made no such statement. Possibly you have been reading a report in the Hearst papers, and have got a misconception of it.

Senator REED. No; I have been reading a report of your testimony in the official transcript. Now, I am going to say to you that it is not necessary for you to make any more sneering remarks to me.

Mr. BECKER. I will be the judge of the necessity of that, depending on how I am treated.

Senator REED. I will be the judge of how I treat you.

Mr. BECKER. I do not think you will be. The committee will be the judge.

Senator REED. We will see who will be the judge if you make any more of your insulting remarks.

Mr. BECKER. No threats or bullying are going to influence me.

Senator REED. You are not going to sit in this chair and insult me with impunity.

Mr. BECKER. Do with me whatever you wish.

Senator STERLING. I think you take it too seriously, Senator Reed. I do not think the witness intended to sneer at you in any way.

Senator REED. You stated that you did not take this testimony here under the authority of letters rogatory issued in the Bolo Pasha case, and afterwards in the Humbert case?

Mr. BECKER. No; I said that I took the letters rogatory under the authority of the names which appeared on the surface of the record—I have read them in the evidence—in the cases of Lenoir, Desouches and Humbert. It was all done after Bolo Pasha died, except that the investigations began before.

Senator REED. What was your authority in the first instance for taking the affidavits which you afterwards reviewed in the form of these depositions, which you state were the preliminary affidavits—the rough drafts? What authority were you proceeding under?

Mr. BECKER. Proceeding under all kinds of authority. In the first place, letters rogatory in the Humbert case, which I have here, which I have not yet been asked to produce, and particularly the letters rogatory in the Humbert case of February 26, 1918.

In the second place, after our investigations had proceeded for some distance, I was directed by the governor to cooperate with the Department of Justice in such matters as they might request from time to time.

Subsequently—I am not sure of the date—the governor gave me the secret directions with regard to the military intelligence, and thereafter we established a much more general investigation of everything having to do with the general program.

Senator OVERMAN. On the request of the Attorney General of the United States?

Mr. BECKER. Yes; and on request of the military intelligence Col. Van Deman.

Senator STERLING. That was done under the authority of the law of the State of New York.

Mr. BECKER. Yes. In other words, we became practically an investigating bureau for propaganda, working in conjunction with Federal agencies.

Senator REED. I just want to ask you again if you have not stated in your testimony, and stated repeatedly, that you took testimony under the authority of letters rogatory issued by the French Government in the Bolo Pasha case and afterwards in the Humbert case?

Mr. BECKER. If you will eliminate Bolo Pasha and refer to the depositions, yes. But you asked me with reference to prior investigations and preliminary affidavits.

Senator REED. I do not want to have any dispute about it. I want to know if you have not testified, and testified repeatedly, that you took the testimony in these cases under authority of letters rogatory issued by the French Government in either the Bolo Pasha case or in the Humbert case?

Mr. BECKER. No, sir; not as you put it.

Senator REED. And I want to ask you if you did not state that you have taken the depositions and to have used them for political purposes would have been improper, and if you did not undertake to distinguish between a deposition which you took in one room, under the authority of the letters rogatory, and the affidavits which you had signed in another room, and which contained the substance of the depositions?

Mr. BECKER. No; that is so inaccurate that I shall have to say no.

Senator REED. Very well, we will have to put the record in when we get to it.

Mr. BECKER. It is all down in black and white. I read it over this morning.

Senator REED. When was it that Bolo Pasha was executed?

Mr. BECKER. I do not remember exactly. It was about a month or a month and a half after his trial, and his trial was in the early part of February.

Senator REED. What year?

Mr. BECKER. 1918.

Senator REED. When did you take the affidavits of these witnesses whose testimony you have referred to here and which you used to connect Mr. Hearst with Bolo Pasha? When did you take those affidavits?

Mr. BECKER. What affidavits do you mean?

Senator REED. Any affidavits that you took in the case—the ones that have been referred to in the testimony. I am not referring to those outside.

Mr. BECKER. The rough drafts were not taken by me, of course, but they were taken on the 15th of June.

Senator REED. What year?

Mr. BECKER. 1918.

Senator REED. 1918 or 1917?

Mr. BECKER. 1918.

Senator REED. The affidavits were taken—the affidavits were made up subsequently from the depositions and then signed by the witnesses in another room?

Mr. BECKER. In the same room.

Senator REED. We have got a little closer, then.

Mr. BECKER. Except that some were signed up at the Belmont Hotel, as I said, because the notary had gone away. They were taken up the 9th of August, 1918, and the 19th of August, 1918.

Senator REED. Had you taken some affidavits prior to that—some months prior to that?

Mr. BECKER. About June, 1915.

Senator REED. Did you have some affidavits in 1917 when the campaign was on in which Mr. Mitchell was a candidate?

Mr. BECKER. Not an affidavit; not one.

Senator REED. Did you have some statements in writing?

Mr. BECKER. I do not recall any.

Senator REED. We have been all over that, and I thought it was said that you had affidavits at that time?

Mr. BECKER. No.

Senator REED. Well, now, you say that the testimony you took in these cases you did not take at all under the letters rogatory, but you took them under some different authority? Is that what you said?

Mr. BECKER. I repeat, as I have several times testified, that I took the depositions of Berkowitz, Schomaker, Cornfield, Block, Fredriksen, and Gazzola, August 9, 1918, as appears correctly on the minutes. "In the matter of the examination into the prosecutions of Humbert, Lenoir, and Guillaume Desouches, confirmatory to rogatory commissions issued by Capt. Bouchadon, in charge of the force

of the third permanent Government court martial of the military government of Paris, dated the 26th day of February, 1918, the 1st day of February, 1918, etc., at Paris, France." The commissions were dated the 9th day of August, 1918, and the 19th day of August, 1918.

Senator REED. Those, then, were taken in the Humbert case and not in the Bolo Pasha case?

Mr. BECKER. No.

Senator REED. Bolo Pasha had already been executed?

Mr. BECKER. Long before that.

Senator REED. You make a great secret and a great mystery about exposing any evidence that was taken in the Humbert case, because it has not yet been tried, but the substance of everyone of those depositions was put into an affidavit and given to the newspapers the very next day after you had taken the testimony.

Mr. BECKER. Well, the argumentative question states the facts correctly.

Senator REED. Exactly.

Mr. BECKER. I do not accept the argument.

Senator REED. Then why do you say now that you can not expose, can not talk about, what was said to the French Ambassador in the Humbert case, because Humbert has not been tried; but you can use the very evidence and give to the public the very evidence that you had taken in the Bolo Pasha case?

Mr. BECKER. Well, I will tell you. Our statute provides that this shall not be made public except as directed by the Attorney General. If our investigation has disclosed facts which are deemed to be of great interest to the American public, and which there could be no harm to any French interest to disclose, or to any other interest, as they have been recently disclosed time and time again, it all depends upon the circumstances. You can not lay down any general rule.

Senator REED. That matter of exposure was particularly true when you got out this evidence from the political headquarters, in which you were trying to make the issue that the governor of New York was disloyal and wicked because he was connected with Mr. Hearst, who you claimed was disloyal and wicked, and in that way you were trying to gain an election.

Mr. BECKER. I do not think that will do. Nobody was trying to do it, so far as I know. I was not, and I was not conducting the campaign of Mr. Lewis.

Senator REED. Do you mean to say that you did not attempt by articles and interviews in the papers to destroy the governor because he was connected with Mr. Hearst, and Mr. Hearst was disloyal, and is not that in the record?

Mr. BECKER. That is not an accurate statement, but I do not mean to say that I reject it in toto.

Senator REED. Pay a little attention to this last matter of difference between us, and I will call your attention to an article which was printed in the New York Tribune of August 9, 1918, in which you gave an interview. I asked you about this the other day.

Mr. BECKER. Yes; I think we have been all over it.

Senator REED. And you stated that you gave this interview?

Mr. BECKER. No.

Senator REED. Do you say now that you did not give this interview?

Mr. BECKER. I said that there was part of it that was my statement that I dictated, but it never was issued in my name.

Senator REED. I do not care whose name it was issued in; if you dictated it, it was yours, wasn't it? The part you dictated was yours, whether it was in your name or the name of John Smith.

Mr. BECKER. It was mine until I gave it away. Then it belonged to somebody else.

Senator REED. You originated it.

Mr. BECKER. It was my language.

Senator REED. And when you passed it to somebody else you passed the responsibility to somebody else?

Mr. BECKER. No. I will assume full responsibility for anything I ever wrote.

Senator REED. Let us see what it says:

While William Bayard Hale was in Berlin during June and July of 1916, as the official correspondent of William R. Hearst's New York American, he was in the service of the German foreign office.

This statement was made yesterday by Deputy State Attorney General Alfred L. Becker, after he had examined a witness who was closely associated with Dr. Hale during the latter's stay in Germany in 1916. Although Mr. Becker would not reveal the name of the witness, it was learned that he had been connected with Dr. Hale as an assistant prior to that time when Dr. Hale was in charge of the German Information Service, at 1123 Broadway.

Mr. BECKER. Excuse me, Senator Reed, may I interrupt that? I was under a misapprehension. I thought you had reference to another statement that has not been discussed before.

Senator REED. Very well. [Continuing to read:]

In this connection, the witness said that despite Dr. Hale's frequent declarations that he worked aboveboard while he directed German propaganda in this country, he always used the freight elevators in the building at 1123 Broadway when going to his offices.

SAYS HALE WROTE INTERVIEW.

Perhaps the most interesting part of the unnamed witness's testimony revealed by Mr. Becker yesterday was that part which dealt with the famous Fourth of July message from the people of Germany to the people of the United States, which was printed in the New York American on July 8, 1916. This message was signed by Dr. Hale and purported to be an interview with the then Chancellor von Bethmann-Hollweg. According to the witness the interview was written by Dr. Hale in his Berlin studio and then taken to the Chancellor for his approval.

Mr. Becker quotes the witness as saying that he himself went with Dr. Hale to the Chancellor's office and after the interview had been approved he took it to the wireless station for transmission to the United States.

When the message was received in the United States it was printed in the New York American under the following headlines: "Faith in Wilson Gone; Hope to See Spirit of '76 Aroused Against British Domination; Declares United States Has Lost Caste by Submitting to Seizure of Mails, Ships and Citizens; Declaration of London Drawn and Quartered."

Mr. Johnson, assistant to Mr. Becker, discovered that in the interview von-Hollweg said in almost identical language what Dr. Hale wrote in his book, "American Rights and British Pretensions," printed during the summer of 1915. In the reported interview the Chancellor is quoted as saying: "How long will you permit England to enforce its municipal statutes as if they were international enactments; to exact its tyrannous police functions on the

high seas, to violate your mails and to seize and hale before British judges your ships and your people?"

On page 15 of Dr. Hale's book published a year previous a line reads: "The government of Great Britain has virtually set up in the midst of the busy sea an arbitrary court, claiming unheard of powers in exercising the most tyrannous police functions."

HALE'S ROUMANIAN TRIP.

The witness, according to Mr. Becker, told in detail of a trip Dr. Hale took Roumania in July, 1916, on which the witness accompanied him. The most remarkable feature of the trip, said the witness, was the fact that, while all correspondents were continually annoyed and their baggage searched, Dr. Hale and the witness were not molested and had every courtesy extended to them.

Examination of the passport furnished him and signed by Foreign Minister Zimmermann revealed the reason the military did not interfere with Dr. Hale. The passport was stamped "The bearer is travelling on the business of the Foreign Office," the witness said.

Dr. Hale, according to the witness, travelled on tickets furnished by the Foreign Office, which also supplied sleeping accommodations on the trains.

The object of Dr. Hale's mission to Roumania was not made clear to the witness. He said that Dr. Hale was well supplied with money,

And so forth.

There is a great deal about this. Now, you gave out that interview to the papers, did you not?

Mr. BECKER. Yes, sir.

Senator REED. Were you present when your assistant, Mr. Johnson, analyzed the book of Dr. Hale and told the reporters the subject matter—the substance—of it here?

Mr. BECKER. To be accurate, I was not there at all. I gave it out in the sense that I authorized it.

Senator REED. And you knew about your assistant, Mr. Johnson, making this analysis and comparing it with the book of Dr. Hale?

Mr. BECKER. I think that comparison was made by somebody else. I do not know. I can not tell you.

Senator REED. Somebody else than yourself? You have a man named Johnson in your office?

Mr. BECKER. I had an assistant of that name.

Senator REED. Was he an assistant to you? What is his real name?

Mr. BECKER. I am not going to go into that sort of stuff.

Senator REED. There is not any stuff about it. What was his real name?

Mr. BECKER. No; I will not answer that.

Senator REED. Well, I will ask it in a leading form.

Mr. BECKER. I object.

Senator REED. Was his name Musica?

Mr. BECKER. I object to this sort of thing, an obvious attempt to get something into the newspapers which has no bearing on the investigation, and merely has a bearing upon certain persons who have rendered very efficient service in what has been done.

Senator REED. Was not this man's name Musica, and was not a convict? What is the answer—this assistant of yours that you had in your office?

Senator OVERMAN. I do not think it is competent whether he is a convict or not.

Senator REED. I think, of course, it is competent whether he is a convict; if this man had a convict in his office, and this man was working on these cases.

Senator OVERMAN. Do you decline to answer that question?

Senator REED. Well, what does the committee say?

Who ever heard of a man giving out statements and interviews, and saying that he is responsible for them—and he has just said that he stands sponsor for this interview—and then the question not to be allowed to be asked——

Senator OVERMAN. He says he is responsible for the interview.

Senator REED (continuing). Whether the man who gave this interview and made this analysis was a convict?

Senator OVERMAN. Well, Senator, he assumes responsibility.

Senator REED. No matter whether he assumes responsibility or not——

Senator OVERMAN. He is the man, he says, that gave out the interview, and he says that he is responsible.

Senator REED. Exactly, and no matter whether he undertakes to take the responsibility or not, if this man Musica was employed in his office and employed on this business, and he is a convict and a notorious criminal, then that bears upon every act and every transaction that took place, and bears upon the good faith of this entire transaction, and there is not a court of justice in the world that will refuse to have a question of this kind answered.

Senator OVERMAN. What do you think, Senator Nelson?

Senator NELSON. I think not. It seems to me, Mr. Chairman, that this relates only to the character of men that Mr. Becker employed in his office. Now, Mr. Becker assumes the responsibility for this interview. It is his for all practical purposes, so we are not concerned with the men that he employed in his office.

Senator REED. But, Senator, you have not gotten the point I am trying to get clear. I have stated it, perhaps, in a dull way. I propose to show this committee that Mr. Becker, who comes here and gives this testimony, had in his employ working in these cases a man of such character that you could expect that man to do any kind of thing, to manufacture testimony, or to do any other service, however wicked it might be. Therefore the question of whether this man is a convict that was engaged in this business goes to the very heart and soul of the whole matter, and to deny the right to show that is simply to deny justice.

Senator OVERMAN. I have expressed my opinion. What do you think, Senator Sterling?

Senator STERLING. I thought this depended on the same principle in which testimony of this kind, as I remember, Senator Reed, was excluded the other day. The witness declined to give the names of certain employees, men who went out and got the testimony, and the objection to the testimony was sustained, and on that ground, and he put it on the ground of policy and that it would not do to tell the names of those who had rendered service of that kind, because they were in the public service.

Senator WOLCOTT. They were investigators. There is no charge that this man was investigating.

Senator STERLING. I do not think this man stands on the same plane, as I understand, as the men who were brought into question the other day, but he was a help, he was an aid, to the authorities in the getting of this evidence for these purposes.

Senator WOLCOTT. My view of this matter is this: There is no testimony so far to show that this man is an investigator, and therefore his case is out of the category of the cases of the other day. Now this hearing has departed somewhat from the ground laid down for it by the resolution. It has developed into a contest, apparently, for public approval, between Mr. Becker and his friends on the one side and Mr. Hearst and his friends on the other. I think it is fair to say that Mr. Becker very frankly admits that he is a disbeliever in Mr. Hearst to the extent that he thinks he is rendering the public a service if he can destroy Mr. Hearst—his influence, I mean. I think his testimony will clearly show that. In order to put Mr. Hearst in disrepute Mr. Becker has detailed many things showing Hearst's connection and acquaintance and association with German agents; and Mr. Becker, in his last analysis, admitted that the testimony in his hands did not convict Hearst of that thing which inference would indicate to wit, connection with Bolo Pasha; and yet it has gone to the public on Mr. Becker's side of this thing has been permitted to go along so as to show Hearst's connection with men who cast disrepute on Mr. Hearst from the fact that he knows them. Now, in fairness, it seems to me that the same rule would apply to Mr. Becker. If he has got a man who is in disrepute working for him, by the same rule it ought to be known. That would apply to the investigators.

Senator OVERMAN. I suppose Senator Reed would prove, if he could, that he has a convict in his employ; and he asked if a convict prepared this interview, and the witness says that he takes all responsibility for it, that he prepared it and he takes the responsibility; and then he is asked who aided him in it. I do not think this is competent.

Senator REED. Well, now, Mr. Chairman of the committee, I might just as well say to you gentlemen that I propose to show that Mr. Becker sent this convict out, knowing him to be a convict. I get this evidence; that he connived with these witnesses; that he has been paid large sums of money through Mr. Becker's office for his services; that he is on a salary down there—or was—of \$20 a day and expenses, I think; I will not say the latter positively. Now, if this committee holds, when a man goes out and gets the testimony of hack drivers and discharged people and, among others, the testimony of a man that is already admitted to have been a convict, and brings that in, and the affidavits and depositions are taken ex parte that the character of the man sent upon that mission, and who procured that testimony, is not pertinent, then you are going to do something that has never been held before by any judicial or semi-judicial tribunal. The character of witnesses is involved—the purpose of the witness—and this witness has already shown, and I do not say this in any unpleasant way, a hatred for Mr. Hearst that is almost without a parallel.

Mr. BECKER. Oh, no. It is paralleled by the majority of Americans to-day.

Senator REED. Oh, yes; I believe he opposed you, and I think you got pretty badly beaten. However, I am not going to have any personal talk with the witness. Of course, it might be easy enough that that impression should be created if convicts are to be put in the offices of the officers of justices, permitted there to masquerade.

under assumed names, held out to the public as assistants, and then sent out to consort with the criminal element to bring in false testimony.

Senator OVERMAN. It may be proper for you to prove all those things, and there is a way to prove it; but I do not think this question is competent. You can prove it in another way.

Senator REED. I am asking him whether he was a convict. I think it is proper to ask that to test the fairness of this witness.

Senator OVERMAN. I do not think it is competent.

Senator REED. Well, you want some competent evidence on that. I will see if I can produce it at this point. I will read into the record a certified copy of the clerk of Court of General Sessions of the Peace of the City and County of New York, in and for the county of New York.

Mr. BECKER. I object on the ground that it is incompetent.

Senator OVERMAN. It is competent to put that in. Whether it is worth anything, I do not know.

Senator REED. It reads as follows:

DECEMBER 30, 1918.

I certify that the annexed is a copy of certain stenographer's minutes now on file in the clerk's office, and that the same has been compared by me with the original, and is a correct transcript therefrom and of the whole of said original.

EDWARD R. CARROLL, *Clerk of Court.*

The seal of the clerk is attached.

Mr. BECKER. Will you kindly allow me to examine that before reading it?

Senator REED. No; I will not.

Mr. BECKER. I think I have got some rights here.

Senator OVERMAN. There is no harm in letting him examine it. I have ruled the document in.

Mr. BECKER. I may have another objection to make after I have seen it.

Senator REED. It is a rather singular thing for a witness appearing before a committee of the Senate to be making objections as though he were a lawyer in a case.

Mr. BECKER. Well, I am the lawyer for myself.

Senator REED. You are not on trial.

Mr. BECKER. I think perhaps you are trying to put me on trial. I want to see what this is about.

Senator REED. I have not any objection to your seeing it. Look at [handing the document to Mr. Becker].

Mr. BECKER. This appears to be the proceedings on the occasion when a gentleman by the name of Philip M. Musica was given a suspended sentence on a charge of crime.

Senator REED. Yes.

Mr. BECKER. I object to it.

Senator REED. Because you have not yet admitted that Musica is our assistant Johnson.

Mr. BECKER. Well, I object to it.

Senator REED. I am going to follow it by showing that this gentleman filed bills for Mr. Musica in the city of New York.

Mr. BECKER. Now, I object to that as an attempt on the part of Senator Reed to testify.

Senator OVERMAN. Put that document in the record just as it is. If I have ruled it in, you do not want to say anything more about it.

Senator REED. No; but I just want to tell the committee that I am going to follow it up by showing he filed bills in the names of Johnson and Musica.

Mr. BECKER. The Senator is so afraid——

Senator REED. Will you swear that Musica and Johnson are not the names of the same person?

Senator OVERMAN. Senator, put that document in and let us go ahead.

Senator REED. Why does not the committee make this witness answer as he should?

Senator OVERMAN. Put it in in the right way; put your affidavit in evidence.

Senator REED. I am going to prove who this gentleman is. You need not worry; I will prove it. The document reads as follows:

COURT OF GENERAL SESSIONS OF THE PEACE, COUNTY OF NEW YORK, PART TWO.

The People of the State of New York, against Philip M. Musica. Before Hon. James A. Delehanty, J.

Indictment filed March 1, 1913.

Indictment filed for grand larceny in the first degree, New York, March 20, 1916.

Appearances: Assistant District Attorney William D. Embree for the people. Mr. Leventritt for the defendant.

The defendant is arraigned for sentence.

The COURT. Is there anybody here who desires to be heard in this case?

Mr. RICE. I have expressed myself so often in this matter that I think the court can have no doubt what my views are.

The COURT. I understand your position.

Mr. LEVENTRITT. I ask that the defendant be sentenced at this time. Your Honor has all the facts so well in mind that it is unnecessary for me to make any statement, as I believe you will give the recommendation made by the former district attorney full effect.

The COURT. Musica, in April of 1913 you were arrested on the charge which you ultimately pleaded guilty in May of that year. The record shows that for two years you have been awaiting sentence before my predecessor, who is now district attorney. That delay in your sentence, as I am advised by the district attorney, is due to an effort you were making to recover some funds that were stolen, and you have been kept here in the city prison instead of being sent to State prison at the request of the district attorney and the representatives of the bankrupt estate.

I have here the written recommendation made by former District Attorney Perkins, and under this date concurred in by the present district attorney for a suspension of sentence in your case and for your parole. At the time you pleaded I am advised by the district attorney that you pleaded guilty to this indictment with the understanding that it would cover all the cases against you. At that time the maximum sentence that could have been imposed upon you was not to exceed five years.

I would be reluctant to accept the district attorney's recommendation if there were not for the fact that you already have served three years in prison awaiting sentence.

In view of the reasons adduced by the district attorney in his recommendation in writing, and in view of the information which I myself had while member of the district attorney's staff of the aid which you gave to the State in matters affecting your own and other cases——

A jail snitch.

Mr. BECKER. Is that in the record?

Senator REED. I am putting the explanation in.

Mr. BECKER. I move that it be stricken out.

Senator OVERMAN. I do not think that should be in the record.

Senator REED. I do not think this witness will strike out my comments as a Member of the Senate and of the Judiciary Committee.

Mr. BECKER. That is not reading the record.

Senator REED. I am reading the record and I put that in as a side remark, and everybody understands it.

Senator OVERMAN. I do not think that should be in the record.

Senator REED (continuing reading) :

I am going to accept the recommendation of the district attorney and suspend sentence, conditioned, however, upon some essential acts on your part. Your mother is awaiting examination before the referee in bankruptcy. It is said that she has in her control, or within her knowledge, information as to funds which properly belong to the creditors, and while I am not going to charge you with your mother's withholding of funds to-day, if there comes to my attention any substantial reason for believing that she actually has funds and that she refuses to turn them over, I intend to take it for granted that she is acting under your direction, because I have no doubt that her acts have been under your direction from the beginning, and I intend to charge you with her delinquency if she fails to restore to the creditors all the money which is known to be in her possession. I am going to require you to see to it that she attends whenever required by the attorney for the trustee at any time and place set for her examination. I am going to require you to report, in addition, to the probation officer. I am going to require you to report on the first Monday of each month until you are formally released from that requirement, to the district attorney of New York County. I will designate Mr. Embree for the present as the representative of the district attorney to whom you are to report, and in his absence you will report to the district attorney directly. In the event that the first Monday happens to be a legal holiday, you will report on the succeeding day. I make that requirement specifically for the purpose of having it in my power to send for you and to send you to prison if you fail to report on any one of those days, and I will certainly take that action if you fail to report. In addition to that you will yourself attend, whenever required, before the referee to submit to examination respecting your knowledge of the bankruptcy affairs, and you will make every reasonable effort within your power to, first, satisfy the bankruptcy court as to where the funds of the bankrupt went to, and, second, if any are found to be in existence, to recover them for the bankrupt estate. In addition to these requirements which I have now made, you are also required to report weekly to the probation officer designated by the court, and to obey each other rules than those which I have laid down for you as the probation officer shall require.

The probation period in your case I have set now at five years, because I intend to leave the court in a position where, if your conduct hereafter does not meet the highest standards, you may be sent for and sent to prison.

Sentence suspended.

Mr. BECKER. Are you through, Senator?

Senator REED. Yes.

Senator OVERMAN. I think we will adjourn now.

Mr. BECKER. May I have about three minutes before the adjournment? I should like to make my statement with reference to this gentleman.

Senator REED. What gentleman?

Mr. BECKER. The fact that Philip M. Musica is an investigator in the employ of the attorney general's office has never been concealed.

Senator REED. Well, is Johnson and Musica the same man?

Mr. BECKER. I would like to make this statement without interruption.

Senator REED. I never heard of a witness before taking a case in his own hands. But let the witness proceed.

Mr. BECKER. I will make this statement and perhaps you will be glad of some of the facts I will give you.

Senator REED. Yes.

Mr. BECKER. Mr. Musica, as I said, was an investigator for District Attorney Charles S. Whitman, subsequently governor. He subsequently served as an investigator for District Attorney Perkins, who succeeded Mr. Whitman as district attorney to fill out his unexpired term of one year, after Mr. Whitman became governor on the 1st of January, 1915. He subsequently served as an investigator for Edward Swan, the present district attorney, down to April, 1917. He was chiefly engaged in the investigation of what are known as the "Baff murder" cases. In April, 1917, Gov. Whitman made an order superseding the district attorney, and directing the attorney general to take charge of the Baff murder cases. At the same time the district attorney's office—not Mr. Swan but one of the district attorneys—recommended Mr. Musica to me as a competent investigator who knew more about the history of the Baff murder cases than anyone else. I thereupon took over the services of Mr. Musica at that time.

Senator REED. Under what name?

Mr. BECKER. Under the name of Musica.

Senator REED. Has he gone by that name since?

Mr. BECKER. And I call attention to the memorandum which I made in my own memorandum book on May 16, 1917:

Memorandum of arrangement for compensation made to-day with M. B. cases.

And it gives the rate of compensation, and is signed "P. M. M." and "A. L. B."

Senator REED. What is the rate?

Mr. BECKER. It seems to be at the rate of \$25 per day for days actually spent on the work and to include all expense other than traveling expenses out of town.

Senator REED. What was that date, please?

Mr. BECKER. May 16, 1917.

Senator REED. Now, is that Mr. Johnson, the man that you are talking about, also Musica?

Mr. BECKER. Now, please don't interrupt me. Mr. Musica I was thrown into intimate contact with, and the first material question in the Baff murder cases was whether, as was charged, Mr. Musica had created a false theory of the Baff murder cases which would have the effect, to use the expression that was used by certain people at that time, to acquit the Italians and convict the Jews. Mr. Musica is an Italian. I was charged at that time with the duty of determining which of the two theories of the Baff murder cases was correct, one of which involved granting a new trial to a man who was awaiting execution in the death house. I spent something over a month in intimate association with Mr. Musica, watching him, as well as investigating the facts in the Baff murder cases.

Senator REED. What name was he going by?

Mr. BECKER. As a result of that month of intimate association I reached the conclusion, and so advised the attorney general, that the theory of the facts advanced by Mr. Musica in the Baff murder case was correct. We adopted it, prosecuted Joseph Cohen for the murder, obtained a conviction, which has been affirmed away up to the United States Supreme Court, and Mr. Arichiello, as he was known, who had been convicted, was given a new trial by order of the court.

As a result of my acquaintance with Mr. Musica, I became convinced that he had repented of his sins, and there sprung up between us a friendship. He is, and for some time past has been, the intimate associate of my family, who know his past history. Mr. Musica is the friend of my children, he helps them with their Christmas, gives them Christmas presents, and I have had the pleasure of watching during this period starting in May, 1917, and coming down to date, the coming to life of a beautiful spirit, a beautiful Christian spirit, in a man, which shows and convinces me that there is such a thing as reform. There is no man in the world to-day whom I trust more than I trust Philip M. Musica. He is one of my best friends. I couple myself with him; I stand with him; I stand for him.

Senator REED. What is his name?

Mr. BECKER. His name is Philip M. Musica.

Senator REED. What name is he going under in your office?

Mr. BECKER. I am not going to say any more.

Senator REED. Now I submit I want an answer to that question; I am entitled to it after this speech, and I ask the committee to rule whether he should tell this man's name, the name that he goes under. How long ago, after he had been in jail three years and circulating around as a "snitch" among all the jailbirds and criminals, did you take him to your home and make him your friend and the intimate of your children? How many months had elapsed?

Mr. BECKER. I decline to answer the question, because it is incompetent and improper in form. I deny that he ever was a "snitch." I do not know what the word means, but I am sure he never was it. [Laughter.]

Senator REED. You deny it, anyway. Well, I think you might adjourn on that.

Mr. BECKER. It is a reasonably offensive word, and therefore I may say it is not so.

Senator OVERMAN. It is now 1.20, and we will adjourn until half past 2.

(At 1.20 o'clock p. m. the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The committee reconvened, pursuant to the taking of the recess, at 2.30 o'clock p. m.

Senator OVERMAN. The committee will come to order.

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Senator OVERMAN. Mr. Becker, you made a statement here before we took the noon recess, after Senator Reed read a record from a court stating that—what was the man's name?

Senator REED. Musica.

Senator OVERMAN. That Musica was a convict, and so on, and then you frankly stated that this man had been employed by certain district attorneys, and had been in the employ of the District Attorney's office some time, and you spoke very highly of him. What objection

would you have, if I asked the question, to stating whether this man Johnson was one and the same man?

Mr. BECKER. Absolutely. He has used the names of Musica and Johnson indifferently.

Of course, our position about it, or my position about it, is this. I am very fond of the man, and this Hearst defense against these charges consists of blackening the people connected with them.

This man is trying to live an honest life, and I have done my utmost to protect him from a raking over the coals again of his past career, which I believe he has canceled and paid in full. But Senator Reed has got the benefit of all the display of headlines that is possible——

Senator REED. Now, Mr. Chairman——

Mr. BECKER. And all these groups of photographs, that will undoubtedly appear in the top editorial column——

Senator REED. I protest——

Mr. BECKER. And I am perfectly willing to say now that——

Senator REED. I want to call to the chairman's attention——

Senator OVERMAN. Mr. Becker, you must not——

Senator REED. Let him finish.

Mr. BECKER. I am perfectly willing to say now that we have protected Musica in his conduct of these matters by letting him use the name of Johnson, but in his bills, for instance, which he has rendered even to the city of New York, and which have been duly audited by the comptroller and are on file, the name Musica is used.

Senator REED. Now, I want to call the chairman's attention to the fact that this witness is continually undertaking to criticize my conduct.

Senator OVERMAN. Yes; I will caution him that——

Senator REED. Just one of two things can be done in a case of that kind. The committee has its course open to take, and I think it had better take it.

Senator OVERMAN. I suggest that we get along without any feeling. I hope you will not refer to Senator Reed, Mr. Becker.

Mr. BECKER. I merely intended to refer to Mr. Hearst.

Senator REED. I am ready to proceed. Does the committee desire to wait for the other members of the committee?

Senator OVERMAN. No. Here is Senator Nelson now.

Mr. BECKER. This is the sort of thing I referred to, Senator [exhibiting photostats of newspapers]. It does not hurt me any, and it does not hurt Mr. Lewis any, but it does a lot of damage to Mr. Jerome, who, so far as I know, is trying to lead an honest life.

Senator REED. Now, I would like to have this witness be a witness for a while.

Senator OVERMAN. Just answer the questions, Mr. Becker. Answer the questions of Senator Reed and let us get down to business.

Senator REED. I am ready to proceed, sir, just as soon as the witness takes his seat. I propose now to offer in evidence the indictment.

Senator OVERMAN. The indictment of Musica?

Senator REED. Yes.

Senator NELSON. Is that the same case we had before the recess. Mr. Chairman?

Senator REED. Yes; but it brings out some facts that did not appear in the other paper.

Mr. BECKER. I do not think an indictment is accepted as proof, if the Senate committee please. I therefore object, if the indictment is to be offered as proof of the facts stated in it.

Senator OVERMAN. It will go in as a part of the record, for what it is worth.

Senator WOLCOTT. The material thing is the conviction—if he pleaded guilty to the indictment.

Senator REED. I want to get the character of the defense before the committee. That is the point of the indictment. I will just read the body of it and put the indictment in in full:

The indictment for grand larceny in the first degree for stealing \$16,793 in money, lawful money of the United States, property of the firm of J. W. Seligman & Co., by falsely representing to said J. W. Seligman & Co. in nine certain cases which had been——

Senator OVERMAN. Why not put it in the record, Senator, and just state what it was?

Senator REED. I can state it from here quicker than I can state it in my own language. [Continuing reading:]

delivered at the Fabre Line Pier, and consigned to the City of Marseilles, France, by the defendant, contained human hair of the value of \$16,794.96;

Whereas in truth and in fact, said representation was false and untrue as the defendant then and there well knew.

The defendant is arraigned at the bar, and, by leave, &c. withdraws his plea of not guilty, and now pleads guilty of grand larceny in the first degree.

That is Monday, March 20, 1916.

(The indictment above referred to is here printed in the record in full as follows:)

At a Court of General Sessions of the Peace of the City and County of New York, holden in and for the County of New York, at the building for Criminal Courts in the Borough of Manhattan of the said City, on Tuesday, the 27th day of May, in the year of our Lord one thousand nine hundred and thirteen.

Present, The Honorable Edward Swann, Judge of the Court of General Sessions, Justice.

The People of the State of New York against Philip M. Musica, alias William Wiemer.

On indictment, for grand larceny in the first degree (filed March 18, 1913), March 11, 1913, feloniously stealing \$16,793 in money, lawful money of the United States of America, property, &c. of the firm of J. & W. Seligman & Company, by falsely representing to the said J. & W. Seligman & Company, that nine certain cases which had been shortly theretofore delivered at the Fabre Line Pier, and consigned to the City of Marseilles, France, by the defendant, contained human hair of the value of \$16,794.96;

Whereas in truth and in fact, said representation was false and untrue as the defendant then and there well knew.

The defendant is arraigned at the bar, and, by leave, &c. withdraws his plea of not guilty, and now pleads guilty of grand larceny in the first degree.

MONDAY, MARCH 20TH, 1916.

Court Meets—Present, Hon. James A. Delehanty, Judge of the Court of General Session.

The defendant is arraigned at the bar.

The defendant having nothing further to say &c.

Ordered that sentence be suspended and the defendant discharged from custody.

A true extract from the Minutes.

(Seal)

EDWARD R. CARROLL, *Clerk of Court.*

Senator REED. Just one further paper on this. I introduce now a certified copy of a part of the record of the court in this case. [Reading:]

The People of the State of New York against Philip Musica. Cal. No. 10,734
Ind. No. 93,630.

RECOMMENDATION.

In the indictment the defendant, Philip M. Musica, is charged with the crime of Grand Larceny in the First Degree in that on the 11th day of March, 1913, he stole from the firm of J. & W. Seligman & Company the sum of \$16,793.33 by means of false pretenses.

On the 11th day of April, 1913, Musica was arraigned on the indictment and pleaded "Not Guilty," but immediately notified the District Attorney that he was willing to make a complete confession and render aid to the State and to those having civil claims against the firm of A. Musica & Son, the business formerly conducted by the defendant and his father, Antonio Musica, and an allied corporation called the United States Hair Company.

On the following day the defendant was brought to the District Attorney's office and there made a detailed statement to District Attorney Whitman, in which it appeared that, by means of attaching false bills of lading to foreign bills of exchange, Musica had defrauded some half dozen banks and private bankers in the City of New York of upwards of half a million dollars. Among the private bankers so defrauded was the said firm of J. & W. Seligman & Company.

Senator OVERMAN. What are you reading from now?

Senator REED. I am reading from the court record a recommendation that was made by the district attorney. This is a certified copy.

Senator OVERMAN. A recommendation for clemency?

Senator REED. A recommendation for certain action in the case.

I continue to read:

Within a few days after making the statement to District Attorney Whitman, Musica made a much fuller and more detailed statement to Mr. Stern, of the firm of Ruchmore, Bisbee & Stern, representing the Manhattan Company and John Munro & Company. Mr. Stern had brought to the District Attorney the evidence on which Musica was indicted.

On the 27th day of May, 1913, Musica pleaded "Guilty" of the crime charged in the indictment referred to above.

Afterward, on the 29th day of May, 1913, Musica testified before the Grand Jury against one Hans Shapire, who had been the Paris agent in the Musica frauds.

Afterwards, on the 1st day of August, 1913, Musica testified before the Grand Jury against one Frederick D. Holder who had also participated in the Musica frauds.

At the request of the attorneys for the receivers in bankruptcy of A. Musica & Son and the United States Hair Company, the sentence of Musica was postponed from time to time in order that he might remain in New York City and appear as a witness at the various hearings before the referee in bankruptcy. These postponements continued until June, 1915, and, during that period, Musica appeared as a witness before the referee in bankruptcy some forty or fifty times.

After Musica had plead guilty, the books, papers, and correspondence pertaining to A. Musica & Son and the United States Hair Company, which had been theretofore concealed, were turned over to the receivers in bankruptcy by Musica and he also turned over certain assets which had been theretofore concealed, to wit, a quantity of human hair of the value of \$25,000, a quantity of other merchandise of the value of five or six thousand dollars, and negotiable instruments of the value of several thousand dollars.

Philip Musica had now been confined in the City Prison, without bail, for a period of two years and five months.

In view of the defendant's plea of guilty, the testimony which he has given against his accomplices, his voluntary appearance as a witness before the referee in bankruptcy over a long period of time, and the two years and five

months which he has spent in jail, I respectfully recommend that the sentence in this case be suspended and that the defendant be placed on probation.

Respectfully submitted.

(Sd.) WM. DEAN EMBREE,
Assistant District Attorney.

Approved,
(Sd.) CHARLES ALBERT PERKINS,
District Attorney.

NEW YORK, September 8, 1915.

For additional reasons I renew the above recommendation dated New York, March 20th, 1916.

(Sd.) EDWARD SWANN,
District Attorney.

Senator REED. I want to put in the record this paper from the Tombs records, merely for the purpose of fixing some dates.

(The paper above referred to is here printed in the record, as follows:)

DECEMBER 30, 1918.

Matter: Washington. Report of Hopkins.

There is no picture of Philip Musica in the Rogues gallery, at Police Headquarters. There is a record of his arrest as follows:

Name Philip Musica; address, 1885 18th St., Brooklyn; crime, grand larceny; color, W.; age 31; date of arrest March, 1913; officer, Detective Flood.

REMARKS.

Sen. suspended by Judge Delehanty, Part II, General Sessions, March 28, 1916.

Bertillon finger marks taken of Musica does not show that he was ever at Elmira or ever arrested by the police of N. Y. under any other name.

TOMBS RECORD.

First Tier, Hall Records show that Philip Musica was received in the Tombs (City Prison) as follows:

Date (of reception in the prison) April 10th, 1913. (Name) Musica, Philip. Crime, Grand Larceny. Transferred to Fourth Tier of prison, May 7th, 1914.

The fourth tier records show—

Date (of reception at the prison) April 10, 1913. Name, Musica, Philip. 420 (Meaning cell he was transferred to). Crime, grand larceny. Disposition—Discharged March 20, 1916.

Senator REED. It was on March 20, 1916, that Mr. Musica, alias Johnson, was paroled. When did he come into your office? What was the date of the memorandum you had an hour or so ago when you read a memorandum from your pocket?

Mr. BECKER. May 16, 1917.

Senator REED. Where had Musica been just before that? Had he been in anybody's office or connected with any office?

Mr. BECKER. Connected with the district attorney's office.

Senator REED. As a matter of fact, when Musica was released on this parole he continued to work out of the district attorney's office, did he not?

Mr. BECKER. Yes. And I may say that he used the name of William Johnson in an investigation at that time.

Senator REED. So that from the time this man was paroled, and while he is under the parole, he has been constantly engaged in assisting the district attorney, I believe you call it in New York, or he has been engaged in working out of the office of the attorney general of New York. That is correct, is it?

Mr. BECKER. Yes; substantially correct. It is not quite accurate, but almost.

Senator REED. And during the time he was with the attorney general of New York this gentleman received, I believe you said, \$25 a day and expenses?

Mr. BECKER. No. That included expenses, except when he had to travel out of town.

Senator REED. If he expended any money in the prosecution of any case or in running down any case, he got that amount of money back?

Mr. BECKER. In the Baff case the only expenses referred to were his personal expenses. That was the rate in the Baff murder case.

Senator REED. The rate in the Baff murder case was what?

Mr. BECKER. Twenty-five dollars a day, including all of his personal expenses.

Senator STERLING. That was only for actual days of work?

Mr. BECKER. For actual days of work.

Senator REED. But, as a matter of fact, he has been drawing this right along and all of the time has been spent in your office, has it not?

Mr. BECKER. No; not quite all, but nearly.

Senator REED. What has he been getting during the time he has been in your office—\$25 a day?

Mr. BECKER. On the Baff case, yes.

Senator REED. Has he been on the Baff case all the time?

Mr. BECKER. Including expenses, yes.

Senator REED. On the Baff case all the time in your office?

Mr. BECKER. More or less.

Senator REED. But what I want to get at is, no matter what case he was engaged in, he has drawn \$25 a day since he has been in your office?

Mr. BECKER. When he was working on the Baff murder case.

Senator REED. When he was not working in that case was he drawing any pay or not?

Mr. BECKER. I think that was changed.

Senator REED. What was that memorandum you read? Will you not please revert to that again?

Mr. BECKER. This is an arrangement that was made that did not continue very long. That was changed; I remember now.

Senator REED. What was the change that was made?

Mr. BECKER. That was changed to a basis of \$20 a day and his expenses paid additional.

Senator REED. The expenses he was paid additional were his board, his lodging, his hotel bills, and things of that kind, were they not?

Mr. BECKER. When he had them.

Senator REED. He always had to eat or live some place and you paid that, did you not?

Mr. BECKER. No; not always.

Senator REED. Was not that the rule?

Mr. BECKER. About half the time I kept him with me in the Murray Hill Hotel, when we were engaged on daily work and nightly work. Other times he lived at home, and then, of course, there was no expense bill.

Senator REED. But a good part of the time he received \$20 a day and his board and lodging in addition to other expenses. That is right, is it?

Mr. BECKER. Up to about the 1st of May last, I think.

Senator REED. What happened on the 1st of May last?

Mr. BECKER. Then he went to live at his home, and there were not any more expense bills to pay except for other things.

Senator REED. Except for other things outside of his home?

Mr. BECKER. Yes.

Senator REED. How long did you pay his board? How many hundreds of dollars did you pay to this man, or has the public been obliged to pay to this man, on vouchers, and so forth? Have you any idea?

Mr. BECKER. I might approximate it.

Senator REED. Would you be so kind as to do that? It might save me introducing a great many papers.

Mr. BECKER. While he was in the Murray Hill Hotel I think the expense for board averaged about \$5 a day, and, with the exception of probably about a couple of months, between May 16, 1917, and May 1, 1918, he was there probably about four days in the week. You can figure that.

Senator REED. He had some men under him whose expenses, and so on, he also took charge of?

Mr. BECKER. You mean that he paid?

Senator REED. Yes; and then afterwards rendered accounts for them?

Mr. BECKER. Yes, I think it was done that way. But usually I would put it on my own bill.

Senator REED. Did you say that he got his money altogether under the name of Musica?

Mr. BECKER. I was under that impression. It may not be so.

Senator REED. I hand you a photographic copy of a letter purporting to be written by you under date of November 26, 1917, and which reads—

Mr. BECKER. Let me see that, please.

Senator REED. I will hand it to you.

Mr. BECKER. I prefer to see anything before it is read.

Senator REED. I prefer to read this paper, and I intend to read it; do not make any mistake about that.

Mr. BECKER. I wanted to see whether the signature was mine. It is my signature.

Senator REED. I have not asked you whether it is yours.

Mr. BECKER. I have no objection. I object to anything being put on me that I do not have a chance to see.

(The paper above referred to is here printed in the record, as follows:)

NOVEMBER 26, 1917.

HON. WILLIAM A. PRENDERGAST,
Comptroller, New York City.

SIR: I enclose herewith an expense bill against the City incurred in connection with the investigation into the matter of Harry Robitzek et al in the County of Bronx, amounting to \$177.15.

I incurred this expense pursuant to the designation of the Governor under Executive Law, Section 62, and the expense is a proper charge against the City of New York.

The full amount of this bill has been advanced by me in cash. Please send the warrant therefor to my order when issued.

Very truly yours,

ALFRED L. BECKER,
Second Deputy Attorney General.

Senator REED. I was going to read this and ask you if that was your signature, and I believe you have stated it is. Now I call your attention to the voucher attached, and to the item November 1, the William Johnson voucher attached, for \$100.15.

Mr. BECKER (after examination). That is the man. I recall the circumstances now. That was a criminal prosecution which was proposed and never came off.

Senator REED. But the point I am making now——

Mr. BECKER. And the point about it was, I wanted to use the services of Mr. Musica in it; and I felt that the interests of the State might be prejudiced if he did it under the name of Musica, and I authorized him to use the name of Johnson in that proceeding and in the bills that were rendered, for the good of any prosecution that might take place. If he continues—as I hope he will—as an investigator in the future, I think we will get up some new name and use that for the same reasons, as I would not like to part with his services. They are very effective.

Senator REED. In other words, you would not want the true name and history and character of your investigator known to the courts or to the accused?

Mr. BECKER. No; for this reason, if you care to hear the reason.

Senator REED. I do not care for it.

Mr. BECKER. I think I would like to state it, because the character of the investigator has not the slightest thing to do with the truth of the charge, except in the most indirect manner. But it is a method that is commonly used by persons who have no defense against a charge to raise the same kind of a smell that a skunk raises when it is attacked, in the hope that it can escape by reason of the smell.

Senator REED. And of course, if the associate of the skunk is around, you can generally get your odor from him. So that it is not necessary to dwell much on the skunk.

Will you please look at this other paper, which contains what purports to be the signature of Alfred L. Becker?

Mr. BECKER. That is mine.

(The paper above referred to is here printed in full in the record as follows:)

NOVEMBER 26, 1917.

Hon. WILLIAM A. PRENDERGAST,
Comptroller, New York City.

SIR: I enclose herewith an expense bill against the City incurred in connection with the investigation of the murder of Barnett Baff and in the cases of People vs. Joseph Cohen, et al; People vs. Jack Rizzoto, alias Charles Draglia et al; People vs. Giuseppe Arichello and People vs. William Simon amounting to \$400.17.

I incurred this expense pursuant to the designation of the Governor under Executive law, Section 62, and the expense is a proper charge against the City of New York.

The full amount of this bill has been advanced by me in cash. Please send the warrant therefor to my order when issued.

Very truly yours,

ALFRED L. BECKER,
Second Deputy Attorney General

Senator REED. In that I find the following items, to which I call attention:

An item of \$32 to P. M. Musica. The bill is as follows:

NEW YORK, November 23, 1917.

Hon. Alfred L. Becker, Second Deputy Attorney General, to P. M. Musica.

Oct. 23.	Lunch witnesses J. Mascetta and Guiseppe De Benedetto	\$2. 20
27.	Supper witnesses Moe Rosenstein and Guiseppe De Genedetto and Officers Vaughn and Noonan	4. 35
Nov. - 1.	Supper witnesses G. De Benedetto and John Mascetta and Officers Noonan and Vaughan	3. 85
3.	Lunch for witness Thomas Gentile	. 95
10.	Supper witnesses Guiseppe De Benedetto and J. Mascetta and Officers Noonan and Vaughan	3. 15
13.	Supper witnesses Guiseppe de Benedetto and J. Mascetta and Officers Vaughan and Noonan	3. 60
15.	Supper witness I. Portman and Officer Vaughan	2. 35
17.	Supper witness Thomas Gentile and Officer Noonan	2. 05
17.	Supper witnesses G. De Benedetto and Joseph Rosensweig and Officer Vaughan	3. 60
19.	Supper for witnesses I. Portman and J. Rosensweig and Officers Vaughan and Noonan	4. 10
22.	Expenses of Officer G. C. Vaughan	2. 18
		<hr/> 32. 38

Received payment.

P. M. MUSICA.

It appears, therefore, that Mr. Musica at least was authorized to board the witnesses for the State and the officers at will. Was that the case?

Mr. BECKER. No; not at all the case.

Senator REED. That was what was done here, was it not? He was furnishing them meals?

Mr. BECKER. They were furnished with meals; yes. What objection is there to that?

Senator REED. This was not only done in one case, but it was a common occurrence, was it not? I do not intend to take up the time of the committee now—

Mr. BECKER. When a witness was kept away from a meal, he always got it. I did it myself. You will find my bills there with the same class of charges.

Senator REED. That is using them very handsomely. Now, I call attention to this letter, dated June 6, 1918, and I ask if that is your signature to that letter [exhibiting letter to witness].

Mr. BECKER. Yes, sir.

Senator REED. I call attention now to the item in this account which is attached to the letter. I will not take the time to read the letter. Let it go in the record.

(The letter above referred to is here printed in full in the record, as follows:)

JUNE 6, 1918.

Hon. CHARLES L. CRAIG,
Comptroller, City of New York,
Municipal Building, New York City.

DEAR SIR: I am transmitting you herewith a bill against the City of New York for \$150.14 for expenses necessarily incurred in re the investigation into the murder of Barnett Baff and in the cases of People vs. Arichiello, People vs.

Joseph Cohen, et al., People vs. William Simon, People vs. Charles Dragna alias Jack Rizzotto, pursuant to the designation of the Governor under Executive law, section 62.

This expense is a proper charge against the City of New York. The amount of this expense bill has been disbursed by me in cash, and the warrant therefor should be drawn to my order and forwarded to me at 51 Chambers Street, New York City.

Very truly yours,

ALFRED L. BECKER,
Deputy in Charge.

Senator REED. Then follow a number of items. The bill reads:

To expenses necessarily incurred, as per annexed vouchers, in re the investigation into the murder of Barnett Baff and in the cases of People vs. Archie v. People vs. Joseph Cohen, et al., People v. William Simon, People v. Charles Dragna alias Jack Rizzotto, pursuant to the designation of the Governor under Executive law, Section 62.

May 22.	Paid to Anna Vucri	voucher attached	-----	\$10
	" " Antonio Cardinale	" "	-----	15

I want the committee to bear Cardinale's name in mind, please.

Mr. BECKER. That \$15 item is an allowance made by order of the court to him as a detained witness.

Senator REED. Very well. The bill continues:

May 28.	Paid to Antonio Cardinale	voucher attached	-----	\$15
	" " Anna Vucri	" "	-----	10
31	" " John J. Noonan	" "	-----	10 35
June 4	" " Joseph Sorro	" "	-----	7.90
	" " Antonio Cardinale	" "	-----	15
	" " Anna Vucri	" "	-----	10
5	" " A. Palisi	" "	-----	25
6	" " William Johnson	-----		30.80
				<hr/> \$150.14

Mr. BECKER. That bill is accompanied by supporting vouchers that show the nature of each item.

Senator REED. I am coming to the vouchers, as far as I have them. and if I have not them complete, of course I should be glad if you would produce them.

Mr. BECKER. They are all on file with the comptroller of the city of New York.

Senator REED. The items which I want to read are those of Mr. William Johnson. His bill reads:

NEW YORK CITY, June 3, 1918.

Attorney general of the State of New York to William Johnson, Dr.

In re disbursements incurred in the matter of the prosecutions of the case Peo. v Josephn Cohen, et al and People v. William Simon, et al, as follows:

June 1.	Meal for witness Moses Rosenstein and Officer John J. Noonan	-----	\$1.90
	Carfares witness Moses Rosenstein and Officer John J. Noonan	-----	.20
2.	Railroad fares to and from Patchogue, L. I. for self, Officer Gordon and witness A. Cardinale	-----	9.90
	Luncheon at Patchogue, L. I. for self, Officer Gordon and Antonio Cardinale	-----	5.30
	Auto hire at Patchogue, L. I.	-----	9.00
	Supper for self, Officer Gordon and witness A. Cardinale	-----	4.35
	Carfares	-----	.10

Received payment,

WILLIAM JOHNSON.

There is a large number of these that I do not intend to burden the committee with, as to which I merely make the statement that some of the bills are in the name of Musica, and some in the name of Johnson. But they appear to be in the Baff murder case and other cases.

You made a voluntary statement in regard to Mr. Musica and his connection with certain murder cases. One of them you referred to was the Baff murder case.

Mr. BECKER. That is the only one.

Senator REED. I suppose you would include in the Baff murder case the several parties who were charged with the commission of the crime or complicity in it?

Mr. BECKER. Yes. There were about a dozen.

Senator REED. I want to see if I can get before the committee, if I may have the committee's close attention to this matter I am going to bring out, a concrete statement of those cases. It is stated to me in the memoranda which I have that on the 24th day of November, 1914, Barnett Baff was murdered in the West Washington Market, in the city of New York. Is that the date of the murder?

Mr. BECKER. Yes.

Senator REED. Afterwards you were associated in one of the prosecutions that grew out of this case?

Mr. BECKER. In all of them, except perhaps I might make the reservation of those that were already finished before I came into it.

Senator REED. Now, this occurred on the 24th day of November, 1914, and for a considerable time the manner of the shooting and who did the shooting was a good deal of a mystery and puzzle to the police. That is correct, is it not?

Mr. BECKER. Yes.

Senator REED. At the time that crime was committed Musica was in jail?

Mr. BECKER. I can not say as to that.

Senator REED. He was indicted on the 11th day of March, 1913, and he was kept in jail substantially all of the time for three years?

Mr. BECKER. Yes.

Senator REED. Sometime in February, 1916, there was arrested for his murder a man named Archiello, and on the 11th or 12th day of February, 1916, Archiello made a signed and written confession, did he not?

Mr. BECKER (laughing). Excuse me for smiling. All right. Yes, that purported to be one. I might suggest to the committee, if they will permit, that we can spend an hour on this case.

Senator REED. We will not spend very long.

Mr. BECKER. And the fact will always remain that the theory that was ultimately adopted was adopted by the jury and that the conviction was affirmed all the way through.

Senator REED. Let us follow it a moment.

Mr. BECKER. Apparently we are going into the defense that was raised in the Joseph Cohen trial, to see whether it was good or not.

Senator REED. I submit that if the witness will just answer these questions we will get along better.

Mr. BECKER. If Cohen could not prove it on his trial for murder, I do not see how Senator Reed can expect to prove it now.

Senator REED. The witness brought this case in, dragged this case in by the ears, and now I want to follow it for just a few minutes. On the 11th day of February, the same day that Arichello confessed——

Mr. BECKER. His name is Arichiello, by the way.

Senator REED. Let me pronounce it my way, it is so much easier.

Mr. BECKER. I might not answer your question.

Senator REED. Ferrari——

Mr. BECKER. F-e-r-r-a-r-i.

Senator REED. I have spelled it out that way.

Mr. BECKER. I may not want to answer except as to correct names. I am like the dog that would not answer to anything except Fido.

Senator REED. I will admit the appropriateness of the simile.

Mr. BECKER. That is one on me.

Senator REED. February 11, Ferrari confessed that he was hired by Greco and Cardinale to drive the car for the gunmen who did the shooting, and that Arichiello and Rena did the shooting. That is true, is it not?

Mr. BECKER. There was a purported confession that was somewhat like that, but not entirely like it.

Senator REED. I think I will have the confession here and let the committee judge.

Mr. BECKER. Mr. Cohen tried to get an appeal to the United States Supreme Court, and now they are going beyond the United States Supreme Court.

Senator REED. I submit that the witness should answer the question. February 21, 1916, Mr. Ferrari was indicted for the murder of Baff and Arichiello was also indicted for the murder?

Mr. BECKER. Yes, sir.

Senator REED. That is about correct, is it not?

Mr. BECKER. I think that is probably right.

Senator REED. April 7, Arichiello was convicted of murder in the first degree and convicted in part upon these confessions he had made.

Mr. BECKER. Arichiello was.

Senator REED. On April 13 Ferrari was convicted in the same case of murder in the first degree, and largely upon his confession. That is correct, is it not?

Mr. BECKER. Yes, sir.

Senator REED. These convictions of these two men became final. did they not?

Mr. BECKER. No.

Senator REED. That is to say, there was no appeal perfected, or if perfected, it was affirmed. Which was it?

Mr. BECKER. The convictions were affirmed.

Senator REED. Were affirmed. Then they went into final judgment?

Mr. BECKER. I thought you meant that they were executed.

Senator REED. Oh, no.

Mr. BECKER. That would be final.

Senator REED. No; the convictions went into final judgment. These confessions which you have seen fit to laugh at, at least Arichiello's—or whatever way you pronounce it—were made, one of them to Inspector Gray at police headquarters, and the other to District Attor-

ney Swan and Assistant District Attorney James O'Malley; that is true, is it not?

Mr. BECKER. I think they were both made before Mr. Swan, but I may be mistaken.

Senator REED. Now, in the confession, Arichiello—or however you pronounce it, I have no acquaintance with the gentleman—stated substantially that he and a man named Rena were the men who actually fired the shots which killed Baff and that he was hired by a man named Ippolito Greco?

Mr. BECKER. Ippolito Greco.

Senator REED. Since dead. And that Greco had been procured to hire the gunmen by one Antonio Cardinale. That is the substance of the confession, is it not?

Mr. BECKER. I do not remember whether they went so far as to say Greco was hired by Cardinale or not. I think not.

Senator REED. No; Greco had been procured to hire the gunmen by Cardinale, Antonio Cardinale, then a fugitive from justice in Italy.

Mr. BECKER. It was not very material. He undoubtedly was, as a matter of fact, but I did not recall that was in the confessions, but perhaps you are right.

Senator REED. Now, these confessions described the manner in which the murder was committed, told exactly how the shots were fired, and they tallied with the testimony of witnesses who saw the shooting?

Mr. BECKER. No, sir; absolutely not.

Senator REED. You say that is not true?

Mr. BECKER. That is absolutely untrue.

Senator REED. All right; we may have to get the record on that.

Mr. BECKER. That was the great trouble with the confessions, they did not tally with the testimony of the other witnesses.

Senator REED. But the confessions nevertheless stood in the court and stood in the appellate court and the men were convicted, and both of them had the sentence of death passed upon them. That is perfectly true, is it not?

Mr. BECKER. Yes; that is true.

Senator REED. Do you know a lawyer named Walter R. Duel?

Mr. BECKER. Very well, indeed. I was with him night before last.

Senator REED. Did Walter R. Duel come into the defense at any time of Ferrari and Arichiello? I will so pronounce it; you can pronounce it any way you please.

Mr. BECKER. He represented Arichiello. I do not recall that he ever represented Ferrari. But bear in mind this was before I knew anything about the case.

Senator REED. But I am asking for your knowledge of what you learned afterwards in the case.

Mr. BECKER. Of course, that is not so exact in my mind as some of the other circumstances.

Senator REED. Now, as a matter of fact, after these confessions had taken place, a man was sent for Cardinale?

Mr. BECKER. To Italy.

Senator REED. And brought him back from Italy?

Mr. BECKER. Yes.

Senator REED. Who was that man, do you remember?

Mr. BECKER. Herman Black, the assistant district attorney of New York.

Senator REED. Cardinale came back with a promise of immunity. did he not?

Mr. BECKER. No, no.

Senator REED. How did he come back if he did not have a promise of immunity?

Mr. BECKER. He did not come; he was brought against his will.

Senator REED. He was brought under a requisition?

Mr. BECKER. No. That is peculiar. Here is the fact, if you would like to have it. The Italian Government does not allow extradition of persons charged with murder. They have an extradition treaty with the United States, but it has been practically—like other treaties—repealed by enactment or decisions of the Italian Court. Cardinale refused to come over here, and Mr. Black made an arrangement with the Italian Government whereby he should be brought over in custody but under a stipulation or order of the Italian Court that he should not be prosecuted over here, but should be returned to Italy if required, to be tried over there for the offense.

Senator REED. That amounted to immunity from trial here, and did give him immunity?

Mr. BECKER. Yes; he could not be tried here.

Senator REED. Now, when Cardinale got here, how was it that he became the client of Mr. Duel?

Mr. BECKER. That was long before I knew the facts. My impression is that he had another lawyer for a little while and then Mr. Duel became his attorney.

Senator REED. So that now Mr. Duel became the attorney of Cardinale, and at the same time he was the attorney of Ferrari? That is true, is it not?

Mr. BECKER. He was the attorney of Arichiello.

Senator REED. Well, of Arichiello.

Mr. BECKER. I did not remember whether he was the attorney for Ferrari.

Senator REED. Arichiello will do me just as well as Ferrari.

Mr. BECKER. Yes.

Senator REED. Both of them were sentenced to death—Arichiello and Ferrari—so that this man Duel became the attorney of the man who was under sentence of death and became the attorney of the witness who was brought over to this country, the witness Cardinale?

Mr. BECKER. Yes.

Senator REED. To be used against some other man in another case. Did you say just before the adjournment that Mr. Musica, alias Johnson, was the man that worked out the theory in the case under which Cohen was convicted subsequently of this murder?

Mr. BECKER. I do not think I put it just that way.

Senator REED. Now, just what did you say?

Mr. BECKER. The point is that Mr. Musica was the investigator who had had the case in hand for the district attorney under three administrations—no; under two administrations, under Perkins and Swan. I am not sure he was under Mr. Whitman in that case. He was in the Becker case and some others. And as an investigator he was the one who dealt with these witnesses and got their evidence.

Senator REED. So that we will not have any dispute about whose theory it was, I will read you back your testimony given this morning. You had been speaking of Mr. Musica. "As a result of that month of intimate association"—that is, with Musica—"I reached the conclusion, and so advised the Attorney General, that the theory of the facts advanced by Mr. Musica in the Baff murder cases was correct. We adopted it, prosecuted Joseph Cohen for the murder, obtained a conviction, which has been affirmed away up to the United States Supreme Court, and Mr. Arichiello, as he was known, who had been convicted, was given a new trial by order of the court." So that it was Mr. Musica's theory, arrived at after you had spent a month with him in consultation, that it was not Ferrari and Arichiello who had been convicted of these murders, and who had confessed to these murders, who had actually committed them, but it was a man named Cohen?

Mr. BECKER. No; there is scarcely one thing in that question that is correct.

Senator REED. Very well; then let us get at just what is correct. You did say, and I want to know if you want to take it back, that the theory of the facts advanced by Mr. Musica in the Baff murder cases was correct; that is, you arrived at that conclusion, and you adopted it and prosecuted Joseph Cohen?

Mr. BECKER. Yes.

Senator REED. Now, the theory of fact which he advanced resulted in the conviction of Joseph Cohen, did it not?

Mr. BECKER. The proof of that theory.

Senator REED. Yes; the proof of that theory.

Mr. BECKER. As against, I may say, the complete disclosure in the court of the connection of Mr. Musica with the case.

Senator REED. I am not asking you about that, at all. If you will just answer these questions, we will get along much more rapidly. Musica's theory brought about the conviction of Cohen, and it was the conviction of Cohen which brought about the release from the electric chair of Arichiello and Ferrari?

Mr. BECKER. Let us get that straight. What brought about the condition was the proof of the witness Ferrari, who is still under sentence of death, but has been reprieved from time to time.

Senator REED. You do not intend to execute him, do you?

Mr. BECKER. He has been reprieved from time to time because he is to be used as a witness in one remaining prosecution. Whether he shall receive a commutation of his sentence to a life sentence rests with Gov. Smith; what will be done with him depends on Gov. Smith. A new trial was granted by Judge Tompkins, who presided at the first trial.

Senator REED. Was he granted a new trial because of the assistance that he gave to the State?

Mr. BECKER. Possibly, because he had heard the trial of the case and he read the papers on which application was made, and made up his own mind.

Senator REED. What papers? The papers of the Cohen case?

Mr. BECKER. That was adopted as the basis for the application for a new trial.

Senator REED. Let us see. Was this before Judge Strong or Johnson?

Mr. BECKER. Judge Tompkins. He presided at the Cohen trial.

Senator REED. And he then went on to the appellate court?

Mr. BECKER. No; he did not.

Senator REED. I wanted to get it right. I wish you to state it please, so that it will be plain. Was he a member of the supreme court?

Mr. BECKER. That is our trial court.

Senator REED. And having heard the Cohen trial, he proceeded to give a new trial to Arichiello because of the facts developed at the Cohen trial? That was the situation, was it?

Mr. BECKER. In a way, yes; it is not exactly.

Senator REED. Is it fairly accurate?

Mr. BECKER. Fairly.

Senator REED. That is doing pretty well in this case.

Mr. BECKER. I have no doubt that that is what moved him to action.

Senator REED. It then transpires that the effect of Mr. Cohen's conviction—oh, by the way, before I come to that. When Cardinale got back here he refused to testify for a while?

Mr. BECKER. Yes.

Senator REED. Then after he had refused to testify, Mr. Duel became his attorney and he did agree to testify? That is right, is it not?

Mr. BECKER. In the sequence of events, probably, but I am not so sure.

Senator REED. Then when he did testify, Cohen was convicted?

Mr. BECKER. Yes.

Senator REED. And then as a result of Cohen's conviction, Arichiello, the client of Duel, who also represented the witness against Cohen, was released, Ferrari?

Mr. BECKER. He was granted a new trial, and has been declared guilty of attempted murder.

Senator REED. So that Mr. Duel's defense of his client, letting his client out, seems to be this: He persuaded a witness to testify, and when that witness did testify he put the crime upon Mr. Cohen, and the crime having been put upon Mr. Cohen, the court then released Arichiello, the client of Mr. Duel?

Mr. BECKER. No; that is mostly wrong.

Senator REED. What is wrong about it?

Mr. BECKER. I can not pick it out.

Senator REED. Is not this absolutely the situation as near as it can be stated in human language?

Mr. BECKER. No; it was Mr. Musica who induced Cardinale to talk. It was not Duel, it was Musica.

Senator REED. Musica was then in your office, too, was he not?

Mr. BECKER. No; he was then employed by District Attorney Swan.

Senator REED. Oh, yes; Musica is the man who induced Cardinale to talk. Was Musica then in Swan's office?

Mr. BECKER. Not physically, but he was in his employ and receiving regular compensation.

Senator REED. As a matter of fact, when it came to the trial of Cohen, the trial was transferred from the district attorney's office to

the attorney general's office. That is correct, is it not? And you helped try the case, or tried it?

Mr. BECKER. Yes.

Senator REED. Now, why was this case transferred from the district attorney's office to your office?

Mr. BECKER. On account of an order of Gov. Whitman, directing that it be done.

Senator REED. I know, but why was the order given?

Mr. BECKER. I should prefer that you swear the ex-governor as a witness on that.

Senator REED. Do you not know why the order was given?

Mr. BECKER. I will tell you why I think it was, but I am trying now to express the reasons that moved the executive mind of our former governor. There was a stalemate in the case from the district attorney's office——

Senator REED. In the Cohen case?

Mr. BECKER. All of these cases, practically, in the district attorney's office. Mr. Swan, who had heard the confession, right before his own eyes, of Arichiello, with the utmost honesty—now, I make no criticism of Mr. Swan; I understand it perfectly—he could not get it out of his head that Arichiello was guilty, and when they got the testimony of Cardinale, Cardinale refused to mention the names of the gunmen, but he stated positively that Arichiello was not one of them, and that a great injustice was being done to Arichiello by his conviction. Now, that was the situation presented. There was another witness—his name escapes me for the moment; he was an Italian; I will see if I can recall it—it was Di Paolo—who had originally “broken the case,” in police parlance, by making a statement to the police, the general effect of which was that he had at one time been one of the hired assassins to kill Barnett Baff, but that he had dropped out of the matter before the crime was actually committed; but that he had subsequently seen, in the back room of Greco's saloon, a large sum of money being paid to Tom Lehna and to Arichiello in payment for the commission of the homicide.

Senator REED. I do not want those details.

Mr. BECKER. Now, wait a minute, please. The question was how these other cases could be tried. I know Mr. Swan believed that Cohen was guilty because he told me so, but the question was how they could be tried when the State's principal witness, the one witness who could connect Cohen with the crime, insisted that a man who had already been convicted of murder was not guilty, notwithstanding his conviction. Mr. Duel went to the governor and insisted that by reason of the very natural tendency of the district attorney, Mr. Swan, to cling to the original theory of the case, the theory of the case which, if established, would benefit his client, Arichiello, it was not receiving fair and impartial attention. In other words, the claim was made by Mr. Duel that the district attorney had a biased view of the case, and was committed to a theory which was injurious to his client. The case was then sent to us under a section of our law which permits us to take charge of the case, so that the responsibility rested on me.

Now, with respect to Mr. Musica, the claim was made by the Cohen outfit that Musica had framed up this new theory of the case with

Cardinale for the purpose of hanging the Jews and getting the Italians off; that it was going to acquit Arichiello and that it was going to put Cohen in the electric chair. And when it came to the trial of the case, after he had reached the conclusion that Arichiello had made a false confession there for the purpose of getting the benefit of it when it came to trial of the case, all the things were gone over for his defense, but Cohen was convicted.

Senator REED. As a matter of fact, the attorney now for Arichiello becomes the attorney for Cardinale, and the attorney for this convicted man gets the case transferred to the attorney general's office from the district attorney's office, as you see, because the district attorney was not taking a proper interest. As a matter of fact, did not the district attorney positively refuse to turn loose and grant immunity to men who had confessed their crime and who had been duly convicted of it?

Mr. BECKER. I do not think the question came up at all.

Senator REED. Was not an effort constantly being made before the district attorney, and did not the district attorney stand up and refuse to dismiss the case against either Arichiello or Ferrari?

Mr. BECKER. No; that was not the situation. There was a question of whether the Cohen case could be tried. Cohen was not a man claimed to have shot Baff. He was claimed to be the employer of the man who shot Baff.

Senator REED. But the testimony on which he was convicted showed a different man to have done the shooting than Arichiella or Ferrari or the man that they had implicated?

Mr. BECKER. No. It showed that Ferrari was guilty. There never had been any question about his guilt. He admits it. He admitted it to me. But it showed that a man other than Arichiello did it. Ferrari did not do the shooting. Nobody ever claimed he did the shooting. He was the driver of the taxicab in which the two gunmen went to the scene of the crime and removed from it.

Senator REED. As a matter of fact, Musica went to see Arichiello and Ferrari and Cardinale repeatedly before these trials, did he not all of them?

Mr. BECKER. Not as to all of them. Of course, he was very friendly with Cardinale; very frequently with Cardinale, very rarely with Ferrari.

Senator REED. Was he not with Arichiello almost constantly for days?

Mr. BECKER. No, indeed.

Senator REED. Did he not go to visit him over 30 times?

Mr. BECKER. No, indeed. I doubt if he was there more than once to see Arichiello. You remember, Arichiello was in the death house.

Senator REED. Yes. He did not stay there. Where is he now? Walking the street, is he not?

Mr. BECKER. As I started to say a moment ago, Arichiello pleaded guilty two days ago to attempted murder, and Judge Tompkins suspended sentence. He had been in jail about three or four years.

Senator REED. Did Cardinale refuse to testify against Cohen unless Arichiello was released?

Mr. BECKER. Never, that I know of.

Senator REED. Did he not do it right straight along, and was it not after Musica had seen him that the deal was fixed up?

Mr. BECKER. That is absolutely preposterous. The point has never even been suggested to my mind before. The only condition that he imposed for testifying was that he should not be required to name the two gunmen whom he himself had been associated with in the commission of the offense.

Senator REED. Did not Duel and Musica visit Cardinale many times during his imprisonment in the city?

Mr. BECKER. Musica and Duel visited him many times. He was not exactly in prison.

Senator REED. He was being held as a witness.

Mr. BECKER. He was being held as a material witness.

Senator REED. Did he not visit Arichiello in the death house at Sing Sing in the same period that was covered by the visits made to Cardinale?

Mr. BECKER. I do not know, but I imagine probably he saw Mr. Duel at that time. He had made a motion for a new trial for Arichiello, and there was prepared a long affidavit of Arichiello at that time.

Senator REED. Was there an agreement made or an understanding arrived at with the Attorney General that Arichiello was to be discharged when the new trial was reached?

Mr. BECKER. Never.

Senator REED. He was, as a matter of fact, turned loose, except that he has been sentenced for this minor crime, and he is not going to be sent up for that, is he?

Mr. BECKER. He had his sentence rescinded, as I have stated, by that court about a year and a half after the Cohen trial.

Senator REED. Now, at the very time that these visits were being made to Cardinale and to Arichiello, Musica was working in your office, was he not?

Mr. BECKER. No.

Senator REED. He was not?

Mr. BECKER. No.

Senator REED. When were those visits made?

Mr. BECKER. To Arichiello, you mean?

Senator REED. Yes; to Arichiello, and to Cardinale.

Mr. BECKER. After the 15th day of May, 1917.

Senator REED. While he was in your office?

Mr. BECKER. Mr. Duel, Mr. James O'Malley, and I went to Sing Sing to see Cardinale in the death house. He was there with me. The records of the prison will show that.

Senator REED. Musica was then in your office, was he not?

Mr. BECKER. Yes.

Senator REED. I asked you a moment ago if he was not employed in your office at the time he made numerous visits to Cardinale?

Mr. BECKER. No; for I had my office at that time in the Murray Hill Hotel, and the meetings were right there in the office in my presence.

Senator REED. Very well, then; he was in your office at the time that numerous visits were had with Cardinale?

Mr. BECKER. Yes.

Senator REED. That is right. Now, as a matter of fact, then, the net result of this whole business is this: That Cardinale testified

against Cohen, admitted that he hired the gunmen, and that the gunmen who committed the murder were Dragini and Titi, is that right?

Mr. BECKER. No.

Senator REED. Who were they?

Mr. BECKER. He never named them.

Senator REED. Did he not name them at all at the trial?

Mr. BECKER. No.

Senator REED. Ferrari changed his story and said that the young men he drove to the scene of the shooting were Dragini and Titi?

Mr. BECKER. Yes.

Senator REED. That is the way their names came?

Mr. BECKER. From Ferrari.

Senator REED. Yes; without Cardinale testifying against Cohen, that is right?

Mr. BECKER. Oh, yes.

Senator REED. Cohen was convicted of the crime of first degree murder. Now, he is under sentence of death, and on appeal his judgment and conviction have been affirmed?

Mr. BECKER. Yes.

Senator REED. Arichiello has been released from prison and is now at large?

Mr. BECKER. A year and a half afterwards, he was given a suspended sentence by Judge Tompkins, and Ferrari has been reprieved from time to time.

Senator REED. Under an agreement that he should not be executed, but should receive a modified sentence?

Mr. BECKER. No such agreement.

Senator REED. Well, understanding, then.

Mr. BECKER. No understanding.

Senator REED. How did he come to testify if there was no understanding.

Mr. BECKER. I went up and saw him and said, "Mr. Ferrari, without any promise from us, will you come down and testify in court voluntarily with full knowledge of what it means? There is absolutely no assurance to you that you can get anything." He said, "Yes; I will."

Senator REED. Of course, he came in without expecting the least bit of clemency, and you did not expect to give him any?

Mr. BECKER. I did not have power to give him any.

Senator REED. You have power to recommend some things, do you not?

Mr. BECKER. The reason I am so particular, I really think I shall take that case up to the governor, as I would have to Gov. Whitman, and lay the facts before him and make no recommendation whatever. That is my expectation of what I will do.

Senator REED. During this same period when Musica was in your office and he was looking up interviews showed in previous statements, or comparing statements of certain people with books—I read this morning from this interview, and do not need to go back to it—did he also have something to do with the affidavits and depositions that were obtained in, we will say, either the Bolo Pasha or the Humbert case?

Mr. BECKER. Now, if the committee please, a situation arises here that I think I ought to explain. I am going to object, and I will

state the grounds. I do not know whether I have the power to release any privilege that may attach to the question of who have been investigators, and what they have done, or not, but the specific request has been made by the Department of Justice to me, for reasons affecting pending prosecutions, that there be no discussion of the work by the investigator, or by any investigators, in connection with the work of our office, which was done largely in conjunction with the Department of Justice. Now, so far as this is concerned, I care nothing about it, and if it is understood distinctly that I go this far and that it does not mean that I have opened the whole door to an examination of the question of identity of investigators, and so on, I am perfectly willing to say that Mr. Musica had something to do with the so-called Hearst investigation, and had something to do with the question with relation to these affidavits. That is as far as I ought to go. It was the subject of a conference between the special assistant for war work and me this morning.

Senator REED. Who is the special assistant for war work at the Department of Justice?

Mr. BECKER. Mr. John Lord O'Brian.

Senator REED. When did Mr. Musica begin to take any action in this matter which you now call the Hearst affidavits or depositions?

Mr. BECKER. Of course, I am referring myself, now, to the ones of June 15, the original affidavits. They were in his handwriting.

Senator REED. 1918?

Mr. BECKER. 1918. They were in Mr. Musica's handwriting.

Senator REED. So that Mr. Musica——

Mr. BECKER. That was not the first.

Senator REED. Well, let us stick to that, just for a moment. What we call the original affidavits which were taken in June, 1918——

Mr. BECKER. 1918.

Senator REED (continuing). Were actually written up by Mr. Musica. Where was he when he wrote them up, do you know?

Mr. BECKER. As far as I know, it was at the Ritz-Carlton Hotel.

Senator REED. Were you present?

Mr. BECKER. No.

Senator REED. How many and what were the names of the witnesses to these affidavits that Mr. Musica wrote out?

Mr. BECKER. They were the affidavits of the four chauffeurs.

Senator REED. Will you please give me their names?

Mr. BECKER. I will do the best I can. I think Morris Berkowitz was one.

Senator REED. All right, Berkowitz.

Mr. BECKER. Vittorio Franco, Samuel Cornfield, and T. J. Fredrisen. Then there is another man named Block. I know there were only four of them, because I found out about it.

Senator REED. That makes five.

Mr. BECKER. There were only four, and I think you have five names. Which four out of the five are the ones, I can not tell you. It is beyond me.

Senator REED. Can you tell me whether Fredriksen or Block was one of the four?

Mr. BECKER. No; I can not.

Senator REED. Who else, in addition to Musica, could have gotten this extra affidavit, this fifth one that you can not account for?

Mr. BECKER. Those were the only affidavits there were.

Senator REED. Well, you say there is one that you do not think that Musica got. Who else could have gotten that?

Mr. BECKER. No; I say there were only four affidavits.

Senator REED. There were only four?

Mr. BECKER. And here are five persons; and there were only four out of the five.

Senator REED. I see. Whatever affidavits you had, then, Mr. Musica obtained?

Mr. BECKER. Whatever affidavits, but not whatever information.

Senator REED. I am speaking about the affidavits. Those were taken in the month of June, 1918. They were in Musica's handwriting and afterwards were destroyed. When were they destroyed?

Mr. BECKER. I destroyed one of them right immediately after the deposition of Frederickson was taken. They had attached to them some photographs showing Bolo Pasha and Bernstorff, and so on—not these ones [indicating photographs], but some others—and they were pasted, or something, on the affidavit, and I tore them loose and put them on the new affidavit. My recollection is that the others were destroyed at the same time; that they were all destroyed immediately.

Senator REED. If you destroyed them immediately after the Fredriksen deposition was taken——

Mr. BECKER. I remember the Fredriksen one in particular.

Senator REED (continuing). And the pictures were attached to that affidavit, then you do know that Fredriksen is one of the men—one of the four——

Mr. BECKER. Obviously.

Senator REED. Whose deposition Mr. Musica took?

Mr. BECKER. Yes; I can say that positively.

The man I was in doubt about was Block. It is between Block, Cornfield, and Franco. I am pretty certain of Berkowitz and Fredriksen.

Senator REED. All right. When did you destroy the other three affidavits?

Mr. BECKER. I did not.

Senator REED. They have been destroyed, have they not?

Mr. BECKER. Yes.

Senator REED. Well, who destroyed them?

Mr. BECKER. I think that Mr. Musica asked me then, "What about the rest of them?" I said, "Well, we had as well tear them up. It is now that we have something in the form of a deposition."

Senator REED. So that Mr. Musica destroyed——

Mr. BECKER. But, as I say—as I have told you already—that is something I am not positive of.

Senator REED. You say Mr. Musica destroyed them?

Mr. BECKER. I just happened to remember the Fredriksen one because you asked me about it.

Senator REED. You say that they have been destroyed, and you say that you destroyed the Fredriksen one? Now, do you say that Musica destroyed the other three?

Mr. BECKER. I think he did, in my presence, also; but whether that is so positively I am not absolutely sure.

Senator REED. Musica writes a good hand, does he not? He writes very good hand, as I judge from his signature.

Mr. BECKER. There were a good many misspelled words.

Senator REED. Among his other reforms he has not reformed his spelling?

Did these affidavits differ in any material respect from the depositions that you took afterwards?

Mr. BECKER. One of them did.

Senator REED. Which one?

Mr. BECKER. The one of Fredriksen. Not in a very material respect; no.

Senator REED. If it was material at all, it was probably very material. Now, in what respect did it vary?

Mr. BECKER. There was a statement made—there is a statement made—in Fredriksen's deposition as to the time when the firm, called the Mason & Seaman Co., which they had worked for, went into bankruptcy, or went out of business, or something like that; and when I came to take the depositions of the others they did not agree with Fredriksen about the date, and that started the discussion about the date.

Senator REED. What date were you speaking of?

Mr. BECKER. The date Mason & Seaman went out of business.

Senator REED. Why were you trying to fix the date when Mason & Seaman went out of business?

Mr. BECKER. Because that fixes the time when these people—well, it was a landmark in their memory, don't you see?

Senator REED. You were trying to fix the time when Bolo Pasha and von Bernstorff made this trip to Hearst's house, were you not? What was the date you were trying to fix?

Mr. BECKER. Among other things.

Senator REED. That was the date you were trying to fix, was it not? You nodded your head.

Mr. BECKER. Yes; one of the dates.

Senator REED. Now, you found that Fredriksen fixed that by the date when—what is the name of the firm?

Mr. BECKER. Mason & Seaman.

Senator REED. When Mason & Seaman went out of business?

Mr. BECKER. No; I do not remember that he did.

Senator REED. Why is it that you just told us, not 10 seconds ago, that the date when Mason & Seaman went out of business was the landmark in this case?

Mr. BECKER. No; I did not say any such thing. I said it was a date that they could remember, and it was a sort of a landmark that they went by; and this whole thing started a discussion among the men, and when we got through, after we had all talked it over there, Fredriksen had a new idea about it, and we verified it by the books of the Mason & Seaman Co.

Senator REED. You were trying to fix the date of this alleged trip of Bolo Pasha and von Bernstorff to Mr. Hearst's house?

Mr. BECKER. One of the trips.

Senator REED. And that had been fixed with relation to the time that Mason & Seaman went out of business?

Mr. BECKER. No; I do not think that was so.

Senator REED. And you told him that the other witnesses said that he was wrong and you had looked the thing up and found out that he was wrong, and he would have to change that date?

Mr. BECKER. No; that was not what happened.

Senator REED. Was that just about what happened?

Mr. BECKER. No; not even just about.

Senator REED. Well, what part of it did not happen?

Mr. BECKER. We all talked it over and concluded he had been mistaken in the date.

Senator REED. You succeeded in convincing your man that he would have to move that date up a month?

Mr. BECKER. It was only a matter of memory.

Senator REED. Yes; a memory properly aided by proper consultation?

Mr. BECKER. Of memory properly aided, as it should be.

Senator OVERMAN. Did it make any difference whether it was April or August?

Mr. BECKER. Not a particle.

Senator REED. Then why did you destroy the affidavit?

Mr. BECKER. As I said, it was absolutely useless. I had torn up the photographs, and what was the use of it. We did not care anything about it any more.

Senator REED. You had taken the depositions, and immediately after taking the depositions you tore up the four affidavits that had been made. That is right, is it not?

Mr. BECKER. Yes; to the best of my recollection.

Senator REED. And then immediately you sat down and wrote new affidavits?

Mr. BECKER. Oh, no; they were not torn up until after that.

Senator REED. Then you had the affidavits that were taken at Musica at the time you wrote additional and new affidavits?

Mr. BECKER. Oh, yes.

Senator REED. You say that the affidavits that Musica took in the first instance were substantially the same that went into the testimony which you took in the form of depositions; that you had those affidavits after you had taken the depositions, and that, although you had them, you tore them up and immediately wrote new affidavits?

Mr. BECKER. No; I did not say that.

Senator REED. And that there were no discrepancies of a material nature?

Mr. BECKER. I did not say that.

Senator REED. What did you say if you did not say that?

Mr. BECKER. There were a lot of things that I developed in the course of my examination of these witnesses by question and answer which Mr. Musica had not developed, and that were not included in his affidavits; a lot of important things, too.

Senator REED. After you had had these conversations with these witnesses all together, and had compared notes and fixed dates, you were able to develop some things which even Musica had not discovered before?

Mr. BECKER. Yes, sir.

Senator STERLING. Then the statements were taken in the form of depositions, do you mean to say, Mr. Becker?

Mr. BECKER. Yes. It is all here.

Senator REED. They were taken in the form of depositions, with no person in the world to appear except you yourself and the notary and the witness. Nobody appeared on the other side of the case. That is correct, is it not?

Mr. BECKER. Hearst's attorney was not there.

Senator REED. No; Hearst's attorney was not there, and nobody else's attorney was there to watch you precious gentlemen while you compared notes and fixed dates.

Senator OVERMAN. Well——

Senator REED. Just keep the witness in the tracks, and he will not get anything like that. But when he gets out, he will.

Mr. BECKER. I am beginning to be frightened at your threats, Senator.

Senator REED. You need not be frightened at my threats. I would not hurt a little fellow like you.

Senator KING. I would like to ask a question, Mr. Becker. Were the affidavits which you took after the first ones which were destroyed, the same in substance as the depositions?

Mr. BECKER. They can be compared. I made them just as accurate as I knew how.

Senator NELSON. I think I can put it in a different light. I think there was one set of affidavits, and they were merged in the depositions. Is that true or not? Did you have two sets of affidavits?

Mr. BECKER. No. After the depositions had been taken I boiled it all down in each case to a new set of affidavits of all the witnesses. We now had eight witnesses instead of four.

Senator REED. Let me state it, Senator Nelson, so that you can get it. First, they had four affidavits.

Senator NELSON. Yes.

Senator REED. Taken in June.

Senator NELSON. Then they followed that by depositions.

Senator REED. Then they took what they called depositions. They put it in questions and answers. Then they made affidavits which the witness says are condensations of the depositions. Then they destroyed the original affidavits made by Mr. Musica.

Senator KING. My question was whether the last affidavits taken corresponded with the depositions, and you stated affirmatively that they did; that you boiled down the depositions and compressed them into the affidavits?

Mr. BECKER. Yes. The depositions are here, and subject to examination and comparison with the affidavits to see if there is any failure to do that.

Senator NELSON. Have you got those last affidavits that were made after the depositions?

Mr. BECKER. Possibly; but Senator Reed has, because they were published in the newspapers.

Senator NELSON. I was going to say that if we have those affidavits we can see whether they compare with the depositions.

Senator REED. I think I have the affidavits as printed in the newspapers, and I assume that they are correct.

Now, I want to ask the witness if Mr. Musica did not work a part of his time in Mr. Deuell's office?

Mr. BECKER. When Mr. Musica was working for the district attorney, as a species of camouflage for investigation purposes, with Mr. Swann's consent, as he will tell you, Mr. Musica had a desk in Deuell's office, and for certain reasons which are very interesting—I will explain them if you like—it was supposed he was working for Mr. Deuell, that he was his employee. In fact, in the Cohen case, the attorneys for the defense went right into the trial working under this supposition, and when we proved by the records of the district attorney's office that he was an employee of the district attorney at the time they were simply astonished.

Senator REED. So that this interesting situation appears: That Mr. Musica was an office mate of Mr. Deuell; Mr. Deuell was the attorney for a man who was convicted of murder; Mr. Musica, while he was in the office of Mr. Deuell, was in close conference with Mr. Cardinale, who was the witness who was to put this crime upon Mr. Cohen; Mr. Deuell, in whose office Mr. Musica was, went to the governor of New York and got the case removed into your hands, where you and Mr. Musica, cooperating, succeeded in getting a conviction of Mr. Cohen, whereupon Mr. Deuell's client substantially goes scot free. That is the situation?

Mr. BECKER. Not at all.

Senator REED. Not at all?

Mr. BECKER. It is about 50 per cent right.

Senator REED. All right. Fifty per cent right is pretty good now.

Mr. BECKER. I have never been able to admit one of your long questions more than 50 per cent right.

Senator REED. All right. I think we can pass to something else. Did this man Musica take the affidavit of a man named Howard in these matters, do you know—referring now to what we will call the Hearst matters?

Mr. BECKER. I never heard of Howard that I can recall. If you will refresh my recollection—

Senator REED. Was he a musician? Did you have an affidavit that you never gave to the press and never made any use of?

Mr. BECKER. I am pretty sure that there was not anything taken of Howard, because it recalls nothing to my mind at all.

Senator REED. Did you mean to give the committee the impression when early in your testimony you referred to the unlikelihood of Von Bernstorff giving up 10,000,000 francs in money, that Mr. Hearst had been a party to that arrangement and had agreed to the conducting of what is termed a "defeatist" program or propaganda?

Mr. BECKER. I said that the burden of proof as to that theory had never been sustained.

Senator REED. If it had not been sustained, will you tell us why you threw the innuendo in here?

Mr. BECKER. I did not throw in any innuendo.

Senator REED. Why did you mention it, if it had not been sustained? Why did you drag in a matter here voluntarily, without anybody putting any questions to you, the effect of which was at least attempt to create a suspicion that Mr. Hearst had entered into an agreement that a defeatist campaign was to be carried on in the Paris Journal?

Mr. BECKER. My reasons were these: I always regarded that theory as a very possible one. There were many things that pointed toward

t, toward building up what might be called a circumstantial case. My testimony here was not the only testimony, and I was under the impression that it might very well be that before all the testimony was given before this committee, by circumstances—by an aggregation of many circumstances to which I could contribute some—the circumstantial case and the burden of proof would be met.

Senator REED. In other words, you were perfectly willing to throw out an insinuation which you say yourself you had no evidence to sustain?

Mr. BECKER. I have some evidence to sustain it, but I have not enough.

Senator REED. The evidence you gave to sustain it was that the Paris Journal printed an article that you say was very laudatory of Mr. Hearst. That is the only thing you cited, is it not?

Mr. BECKER. There was a great deal more than that.

Senator REED. Is not that the only reason you give here in your testimony?

Mr. BECKER. No; I think not.

Senator WOLCOTT. Mr. Becker, did you not testify that you had detailed all of the testimony of which you were aware that tended to connect Mr. Hearst with this Bolo Pasha deal?

Mr. BECKER. I meant here in America—all the testimony that I knew of that in any way tended to directly connect him here in America.

Senator REED. You just said that you had not given all the testimony, and you brought these matters in, which, as I gathered your idea, would go to make up a portion of a circumstantial case, and that later on in the committee's hearings other testimony, which you had not produced, would be put in to supplement what you had produced and thus build up a case. Is that the idea? Or did I get a wrong impression from your statement?

Mr. BECKER. Yes. I want to be sure that you have the correct impression. I do not know what other people know. My opinion was asked originally whether I thought what I had—what I knew about—was sufficient to sustain the burden of proof. My position then was that it did not sustain the burden of proof, but it was some evidence, and the committee decided that it wanted to hear the some evidence. I was reading it over this morning, and I think that is a very fair summary of what occurred when this question came up.

Senator REED. Did the committee ever pass on whether it would hear this evidence, or did you bring it here prepared and read it off? Did they ever pass on that?

Mr. BECKER. Yes; they did.

Senator REED. I would be interested in being cited to that.

Mr. BECKER. I will be glad to show it to you. I was reading it over this morning.

Senator REED. Since you take the ground you do now, I will ask you a few questions about it. Have you the complete article in the Paris Journal?

Mr. BECKER. I think this is a translation, and I think it is not quite complete, but it is substantially complete.

Senator WOLCOTT. Mr. Becker, can you put your finger on the place in the hearings where the committee asked you to open up that line of testimony? If you will have to search, do not bother now.

Mr. BECKER. I haven't it marked. I just recall one phrase. I think it will be remembered that on the question of circumstances of this kind Senator Sterling said that it was his view of the matter that it was something to be put into the mass concerning Hearst and his relations with Bernstorff, etc., which has been brought before the committee.

Senator WOLCOTT. Was that in connection with putting in the conference up there in the woods when Bernstorff was quoted?

Mr. BECKER. It was in connection with our discussion about whether the burden of proof had been met.

Senator WOLCOTT. That was after all this stuff was in, though? was it not?

Mr. BECKER. No; that was before.

Senator REED. I have no recollection of the committee ever inviting this gentleman into this field. He did not need an invitation. The article that you say appeared in the Paris Journal I now want to put in the record. You say it is not exactly complete, as far as you know, but as far as given it is correct. Is that right?

Mr. BECKER. It is a correct translation as far as it goes. It may be that it is complete.

Senator REED. Do you know who made this translation?

Mr. BECKER. No; I do not. I have somewhere—or have had—the original copy of Le Journal with the extract. But I do not seem to have it.

Senator REED. I wish very much that you would find it, because I have been hunting for it for some time; and if you have it in your papers I will pause a little bit to see if you can locate it.

Mr. BECKER. No; I did not bring anything of that sort the last time, and I brought this time only what you see in the folder here. So I know I have not got it here in Washington.

Senator REED. I want to read this. [Reading:]

ARTICLE ABOUT HEARST IN "LE JOURNAL" OF MAY 3, 1916.

Never have the sympathies of the Americans been more precious to the Allies than in the present hour, when the policy of the United States is in the balance. And when these sympathies are emanating from a man like Hearst there is a double reason for mentioning the fact.

William Randolph Hearst is figuring in the front rank as a Gotha American. Who would dare to deny the kingdom of publicity to this man, who himself owns eleven great daily newspapers, several of which are regarded as the most important organs in the New and Old worlds; a number of magazines; a news agency, which is distributing news to more than four hundred newspapers; who, in addition, is supplying more than three thousand motion picture theatres with films? This handler of the masses has brought under control all the means by which one can appeal to the crowd.

We would be slighting his personality if we considered in him only a "business man," the man of affairs. Mr. Hearst has done more than perform a colossal transaction. He wanted to help himself with the lever which himself had forged. He was the first, even before Mr. Roosevelt, to play his own politics and to shake off the tyranny of the machine. The fact that he has dared to leave the groove renders Mr. Hearst a personality apart from others and explains to a certain degree the spacious rôle which he has played since the beginning of the European conflict.

An originality and a power—that is Mr. Hearst. No one will be astonished to learn that our opponents have not been the last ones to notice this fact. They have made advances to him at a time when the Allies did not pay sufficient heed to following the evolutions of the official intrigues. Mr. Hearst borne them no grudge for it.

Do you say that is a fair copy of that article?

Mr. BECKER. Yes. That is the article as it actually appeared, not as it was submitted by Bolo.

Senator STERLING. Mr. Becker, do you say that article was supplied by Bolo Pasha?

Mr. BECKER. Not in that form.

Senator STERLING. He submitted an article, did he, for the Paris Journal?

Mr. BECKER. Yes; I have here the whole thing. I have here a copy from Le Journal of October 5, 1917, which contains the following: "Letter addressed by Charles Humbert to Bolo, dated Paris, the 11th of September, 1917."

Senator REED. Does that contain the complete Hearst article?

Mr. BECKER. No. It contains—it discloses the situation to which the Senator referred.

Senator REED. I want first, if the Senator will pardon me——

Senator STERLING. Certainly.

Senator REED. To get the question settled whether this is a complete record or not. I had some newspaper clippings that had it in, and I do not seem to be able to lay my hands on them.

Mr. BECKER. Would it not be expedient, while we are at it, if I were to translate this now and read it?

Senator NELSON. I would like to hear it, for one.

Senator OVERMAN. Go ahead.

Senator NELSON. While Senator Reed is hunting for his papers you may go on and read it.

Senator REED. Is he going to read it in French?

Mr. BECKER. In English. I will have to translate it. [Translating:]

There is one point concerning which I want, however, to draw all your attention; that is the article on Hearst, concerning which I had the loyalty, perhaps excessive, of writing that it had been published by my responsibility and in agreement with me. If I had held myself to a more scrupulous exactitude I should have said, in effect, that that article was provoked by you upon your return from America, and first drafted by you in an unacceptable form which could have engaged the Paris journal upon a most dangerous road.

Senator STERLING. That is Humbert to Bolo?

Mr. BECKER. That is Humbert to Bolo. [Continuing translating]:

I should have added that against my resistance——

Senator REED. Now we are going to have read into this case against an American citizen a letter written by a man in France to another, under the pretext that we are getting a translation of this letter.

Senator NELSON. Oh, no; this is another item. We are confined to the evidence you are after. We have a right to get more evidence from this witness.

Senator REED. Certainly; but, Senator, you will not be at disagreement with me if you understand——

Senator NELSON. If you prefer to wait until you can get your paper on, let him wait, but I want this evidence.

Senator REED. What I am asking is this: I am calling your attention to it, that he is now reading as against somebody—and the presumption is as against Mr. Hearst—a letter written by Mr. Humbert to Bolo Pasha, probably a year or so after these events. Now, I cannot see how what Mr. Humbert said to Bolo Pasha, long after these events were over, can have any bearing on the matter.

Senator STERLING. I do not understand it as against Mr. Hearst, but I do understand it as an explanation of the article which you have already read into the record from the Paris Journal, and that shows how the article came to be in the form in which it was read and the letter from Humbert to Bolo explains that.

Senator REED. Yes; but it is an unsworn statement; it is hearsay evidence; it may be correct and it may not be correct, and it does not come within any rule of evidence, and I have seen some faint signs of the aurora dawn of a desire here to have some regard for evidence since I commenced to ask questions. I want to ask you, in this Bolo letter—

Mr. BECKER. Shall I continue with the translation?

Senator OVERMAN. Senator Nelson and Senator Sterling both have asked for it.

Senator NELSON. If Senator Reed wants that first, let him go on.

Senator REED. I want to ask you if you were not inquired of in the earlier part of your examination, with regard to this article in the New York Tribune, which purports to have a copy of the Hearst letter?

Mr. BECKER. Oh, yes.

Senator REED. And you said that was a correct copy? You nod your head. Do you mean to say "Yes"?

Mr. BECKER. Mine is substantially the same. There are one or two corrections for the sake of a more accurate translation.

Senator REED. There is a clause in here I did not omit to read, but I did not catch it, so I am ready to proceed on the basis that this is a correct article, subject to correction. Now, if Senator Nelson—

Senator NELSON. I wanted to hear this because this is a sort of key to that; that is all.

Mr. BECKER. Shall I begin over again?

Senator NELSON. Yes; you might begin over again, so as to get the thread of it.

Senator KING. This purports to be a letter from Humbert to Bolo Pasha?

Mr. BECKER. Yes.

Senator KING. Appearing in a French newspaper?

Mr. BECKER. In the same paper.

Senator WOLCOTT. And dated when?

Mr. BECKER. The 11th of September, 1917.

Senator WOLCOTT. And at that time had Bolo Pasha been arrested—on the 11th of September?

Mr. BECKER. Yes.

Senator WOLCOTT. How long prior, do you know?

Mr. BECKER. About a month.

Senator WOLCOTT. At that time was there any agitation in France or any discussion in France imputing complicity with Bolo Pasha to this Senator Humbert?

Mr. BECKER. Very, very great.

Senator WOLCOTT. Is this letter written to Bolo Pasha what you might call a piece of evidence that Humbert was putting before the public in an attempt to acquit him of any complicity with Bolo?

Mr. BECKER. Possibly.

Senator WOLCOTT. With the idea that whatever he said was to be thought of in that light?

Mr. BECKER. I think it is in the nature of an admission against interest, as a matter of fact. He has deeply regretted that he ever wrote it.

Senator WOLCOTT. What is the date?

Mr. BECKER. September 11, 1917.

Senator REED. It might be an admission against interest so far as Mr. Humbert is concerned, but the point I am making to the committee—I am not going to discuss it, I think it makes but mighty little difference—is, whether the committee is going to admit evidence to sustain a charge against an American newspaper man that some Frenchman who was under suspicion of treason wrote to another Frenchman and printed in the newspaper.

Senator NELSON. It is not unfriendly, as I understand it. It simply gives the genesis of this letter, that is all, which has been read into this record.

Senator REED. The point I make, Senator, is this: We have not got any witness on the stand. You have got a newspaper article being read into this record.

Senator NELSON. That is all you put in?

Senator REED. I am putting in the articles this man gave us.

Senator NELSON. They have not been verified as they do things in court.

Senator REED. It was brought here by this witness. And if you will pardon me, Senator, the reason for using the article was this. This witness stated that the sole indication there was of a change from a position of loyalty to the French Government to one of disloyalty on the part of Le Journal was that it printed this article about Hearst; that that was the thing that was suspicious; and the question I am coming to test now is whether as a matter of fact that was suspicious.

Senator NELSON. I would like to hear this article read.

Senator REED. Certainly.

Mr. BECKER (reading):

There is one point as to which I want, however, to draw particularly your attention, that is the article on Hearst, concerning which I had the loyalty, perhaps excessive, of writing, that had been published by my responsibility and in agreement with me. If I had held myself to a more scrupulous exactitude I should have said, in effect, that this article was provoked by you upon your return from America, and first drafted by you in an unacceptable form, which would have engaged Le Journal upon a most dangerous road.

I should have added that against my resistance you had during many weeks obstinately solicited its insertion, with an insistence of almost daily visits, of telephone calls, and of letters, in which you invoked successively all sorts of pretexts, including among them that of its being agreeable to President Monier, and that up to the day when, not without having reduced your apology for Hearst to inoffensive proportions I finished by believing upon your word, in the sincerity of his conversion in favor of France and her allies.

Events soon proceeded to teach me that, intentionally or not, you had deceived me, and when a second time you came again to the charge, for the purpose of associating me with this same Hearst in telegraphic combinations of a suspicious character, I categorically refused in a letter of which you have like me no doubt preserved the trace. I do not draw, however, from these documents and from these facts any deduction against you. That is not my rôle. I simply recall to you their existence, and I hope that after reflection you will

not speak any more of an address for the prosecution and will no longer treat as accuser the man who, taking the responsibility for his imprudent conduct, has in spite of all the anguish which afflicts him, the delicacy of keeping silent.

Truly,

CHARLES HUMBERT

Senator REED. It was the paper that Mr. Bolo Pasha had gotten the money from Bernstorff (and had used it) to help float.

Mr. BECKER. Yes.

Senator REED. Now, I want to ask you if on your previous testimony you were not asked these questions and did not give the answers:

Senator REED. Le Journal was a patriotic, virile French newspaper at that time, was it not?

Mr. BECKER. Yes: unquestionably. Of course, it has been testified by Bernstorff that it was represented to Bernstorff by him as being for Bolo that the intent was to start a defeatist propaganda in the Paris Journal, and that it was on that representation that the paper was purchased by the Germans.

I may say that about all that was done, so far as appears from an examination of the files of that paper, was to get in this fulsome account of Bolo which appeared on the 6th of May, and certain discussions with reference to a possible combination of news service between the Paris Journal and the Hearst papers, or the International News Service in this country.

Do you remember that testimony?

Mr. BECKER. Yes.

Senator REED. This article which you speak of as indicative of a change, as an act of disloyalty to the French Government, as indicating that the Paris Journal was carrying out its corrupt agreement, the correct agreement of Bolo Pasha with von Bernstorff is the only thing that you have been able to cite to show that the paper was carrying out that agreement?

Mr. BECKER. I have a little something more now.

Senator REED. Well, that is all you did cite the other day?

Mr. BECKER. That is all that came to my mind at that moment.

Senator REED. This one mention of Hearst. Now, I want to ask you just a few questions about it. But first I want to read these other questions by Senator King and the answers which you gave thereto:

Senator KING. Was the policy of Le Journal changed?

Mr. BECKER. Only to the extent of publishing a laudatory article on William R. Hearst.

Senator KING. Was the policy changed?

Mr. BECKER. That is the only sign of any influence on Le Journal.

Senator KING. Was the policy toward the war changed?

Mr. BECKER. Not at all. The only sign of any influence being exerted in any way that could possibly be construed as a German influence was the publication on the 6th of May, 1916.

Senator KING. But it is still a French paper?

Mr. BECKER. It remained in other respects, so far as anybody can discover, just the same as before, and just as much given to the protection of Senator Humbert as it ever had been.

Now, you remember those questions and answers, Mr. Becker?

Mr. BECKER. Oh, yes.

Senator REED. What I want to get you to tell us now is how the publication—or before I ask that question I will ask you this: The article was printed on May 6, 1916, was it not?

Mr. BECKER. I think so.

Senator REED. And Bolo Pasha was not tried until February 5, 1918?

Mr. BECKER. No.

Senator REED. And during that period of nearly two years the only thing that you have been able to cite is the printing of this one article?

Mr. BECKER. No; I can tell more things now.

Senator REED. You could not do it the other day?

Mr. BECKER. I would not say that, either.

Senator REED. You did say it the other day, did you not?

Mr. BECKER. No.

Senator REED. I just read to you the questions and answers that you gave.

Mr. BECKER. That was the point, that that was the only sign in the Journal—to be found visible in the Paris Journal.

Senator REED. That is what I am talking about, is the Paris Journal, and I am not talking about anything else.

Mr. BECKER. That is the only thing that anybody reading the Paris Journal would have discovered.

Senator REED. Now, I want to ask you, if this statement was believed by the French people that Mr. Hearst was a great newspaper man in America, and that his sympathies were with the French people, if that would be calculated to break the morale of the French people if they believed it?

Mr. BECKER. You are asking me my belief, are you?

Senator REED. No.

Mr. BECKER. Or are you asking me my opinion?

Senator REED. I am asking you if you pretend to say, if the French people read the statement in their paper that a man represented as a great American newspaper man was their friend, that that fact standing alone could break the morale of the French people?

Mr. BECKER. Will you take the risk of letting me explain?

Senator REED. No; I will take the risk of just having you tell me how a statement to that effect would break the morale of the French people.

Mr. BECKER. Oh, just that one article, of course that is nothing. But I can explain the theory, and I do not think you will let me do it.

Senator REED. I do not care anything about your theories.

Mr. BECKER. I can show you the facts and show what led up to it, and show what I believe it was intended for.

Senator REED. If the Germans saw that article and if the Germans believed it, would it increase the morale of the German people?

Mr. BECKER (continuing). The ultimate result intended to be brought about and in which that was the first step.

Senator REED. You are swearing to something that is intended, that you do not know anything about.

Mr. BECKER. I know a good deal, sir.

Senator REED. I do not think so. Yes; I think you know a good deal about a good many things.

In the two years that passed, the Paris Journal, according to your statement here, I do not know whether made under oath or made on honor, because I do not know whether you are under oath or not, but made here——

Mr. BECKER. It would not make any difference to me. As a matter of fact I am.

Senator REED (continuing). Was to the effect that this article is the only thing that indicated that that paper had become disloyal.

Mr. BECKER. The only thing appearing in the paper?

Senator REED. Probably; yes.

Mr. BECKER. I do not think the paper ever did become disloyal. The French theory in the trial of Humbert probably will be that Mr. Humbert got "cold feet."

Senator REED. Probably; yes. Mr. Humbert got "cold feet"; and the theory might be that a good many other things were so that you and I need not speculate about, because it would be too wild a dream.

Senator KING. Mr. Becker, repeating somewhat the question that I propounded when you were on the stand before, there has been nothing in Le Journal, that has come to your attention during the course of the war, that would indicate that Le Journal was not loyal to the cause of France and the cause of the allies?

Mr. BECKER. No.

Senator KING. There is not a single line or editorial or local page to which your attention has been called or of which you have any information, that would indicate that that paper deviated in any degree from the high path of duty and loyalty to France?

Mr. BECKER. There is no question, as was said before, that the plot, if there was a plot, was not carried out. For some reason or other it failed.

Senator KING. I was not asking you about a plot. I am asking you if you will kindly answer that question, whether there is anything in that newspaper to indicate that it ever departed from its high path of duty and loyalty to France?

Mr. BECKER. Yes; I think there is.

Senator KING. In any publication?

Mr. BECKER. Yes.

Senator KING. Will you point to a sentence in any of the publications that indicate that?

Mr. BECKER. You see, Senator, you put the matter so broadly. I believe the publication of those articles about Hearst had a purpose. It was connected with an absolute purpose. But as to anything that on its face was disloyal, there never was anything.

Senator KING. I am interested in this not for Mr. Hearst or any American, but we are now, in part, trying a French newspaper. I am interested—at least I ought to be, and all of us ought to be—seeing that no French newspaper, having no one here to represent it, shall have any unjust suspicion raised against it. Now, I want to ask you on your oath here whether you charge that that newspaper in any of its publications was not true to the interests of France?

Mr. BECKER. Yes; I do.

Senator KING. What publication; what article?

Mr. BECKER. Now, please let us understand about this. Le Journal—that is to say, Senator Humbert—was under indictment in French court, and if you will pardon me for saying so, Senator, with the utmost sincerity, for this hearing to assume to pass in any way upon or to try the loyalty of Senator Humbert—that is to say, of Le Journal—would be in derogation of the exclusive jurisdiction of the French court.

Senator KING. I am not trying it; you are trying it. You have impugned, as I understand your testimony, the loyalty of Le Journal to the cause of France.

Mr. BECKER. The loyalty of Senator Humbert.

Senator KING. I am speaking of the newspaper, and I have asked you if there is anything in the newspaper, to which your attention has been called, to indicate that it was disloyal to France?

Mr. BECKER. The publication of the laudatory article on Hearst, for reasons that I can explain——

Senator KING. Is that the only thing?

Mr. BECKER. Yes.

Senator KING. But, aside from that, there is not a thing in the newspaper that indicates that it is disloyal to France?

Mr. BECKER. I have not examined the files.

Senator KING. I am asking you if you have had any information of it?

Mr. BECKER. I have been told by those who have examined the files that there is nothing you could put your finger on.

Senator KING. And you have seen that?

Mr. BECKER. I have only seen three or four copies of it; the only ones that I wanted.

Senator REED. You stated as follows in your examination:

It seemed so unlikely that Bernstorff would recommend the giving of ten millions of money, as they were given, to a man that he had never met and whose name, according to Pavenstedt, he did not even know. It seemed as if there must have been a closer connection in some way between Bolo and Bernstorff in this country; it did not seem likely it was through Pavenstedt. The question was when, where, and how it was; and it was in an endeavor to throw some light upon that problem that this investigation was made and these depositions were taken.

Senator WOLCOTT. Let me ask you if the theory was evolved that Mr. Hearst was the man?

Mr. BECKER. It was considered a probable theory. I will say frankly I do not regard it as proved by any means.

Senator WOLCOTT. I was about to say, myself, that from what you have produced here before the committee it does not look as though it were at all possible, because there was no time fixed when Mr. Hearst and Bolo and Bernstorff were seeing each other from time to time. There was a string of visits, apparently, if these depositions and affidavits are true. Yet the fact is that within some four or five days after the arrival of Bolo, Bernstorff had O. K.'d the scheme and was wiring for the money, so it did not require all this long series of visits, and they could not have had anything to do with that very rapid action of Count von Bernstorff.

Senator NELSON. It might have related to the way they were to handle the funds around about in this country.

Mr. BECKER. It might have related to the form that the Defeatist propaganda was to take in France, but that is purely speculation, and I want to be very careful to say that I do not regard the case as proved; but these are facts which I think it is proper for the committee to understand in relation to the connection in America.

Did you want the committee to understand that there was any evidence whatsoever that Mr. Hearst had ever said anything to Count von Bernstorff about this money at all; that you were in possession of any evidence that he had ever talked to him about the money?

Mr. BECKER. None. At best, assuming even that the burden of proof was sustained, the persons were not produced as witnesses.

Senator REED. Of course, you do not think, do you, that Mr. Bernstorff and Bolo Pasha wanted Mr. Hearst to advise Bolo as to how he could carry on a Defeatist propaganda in France?

Mr. BECKER. That was a very important element to consider.

Senator REED. Yes.

Mr. BECKER. Very important.

Senator REED. You think that this gentleman living over in France, this great French politician and soldier of fortune, as you described him, would come over to this country to find out from an American how to carry on a defeatist program in his own country?

Mr. BECKER. The question was how to get the matter over there. I fancy.

Senator REED. Get what matter over there?

Mr. BECKER. The matter that was to be published.

Senator REED. Were not the wires open between here and France?

Mr. BECKER. But they were not open between Berlin and France.

Senator REED. No; they were not open, of course, between Berlin and France.

Mr. BECKER. But they might be, by way of New York.

Senator REED. Oh, they might be? Is there any evidence, now, while you are throwing out these insinuations so glibly, that they were, through Mr. Hearst?

Mr. BECKER. Mr. William Bayard Hale went to Berlin. One of his purposes was to try and arrive at a secret method of communication between the Hearst papers and Berlin.

Senator REED. Do you swear that is true?

Mr. BECKER. I think it has been sworn to here.

Senator REED. I am asking you if you swear to it.

Mr. BECKER. I do not know whether it is true or not.

Senator REED. Well, then, do not assert it.

Mr. BECKER. I will assert it, because I believe it to be true.

Senator REED. You do not know whether it is true or not?

Mr. BECKER. It was sworn to before me by a witness that I believe to be credible.

Senator REED. You are here on your oath, and you have just said you do not know whether it is true or not, and then you say you swore to it.

Mr. BECKER. The first thing that I said when I was sworn as a witness here in this investigation was that there was probably not a single thing that I was going to say that I had personal knowledge of. Now, with that warning, you want to put me in the position that I would have to be responsible for the truth of my rehearsal of what other people have sworn to. I am very sorry I was not interrupted at that time.

Senator REED. If you did not come here for the purpose of telling anything you knew yourself, you ought not to have come at all.

Mr. BECKER. There ought never to have been an investigation of that is true.

Senator OVERMAN. Mr. Becker was asked to come here, Senator.

Senator REED. Was he asked by this committee to come here and give his opinion?

Senator OVERMAN. No; he was asked to come here and state facts.

Senator WOLCOTT. The committee was perfectly willing to assume the responsibility of it, and has assumed it, to have Mr. Becker detail the substance of evidence he has gathered from witnesses. Of course nobody in this country had direct knowledge of these things.

I want to ask you, now, just a few questions about Mr. Fredriksen. Would you know a picture of Fredriksen if you saw it?

Mr. BECKER. I might; I am not sure whether I could distinguish one from the other. I might possibly. I will try.

Senator REED. Very well. Fredriksen and Harry Block are the two witnesses who undertake to say that von Bernstorff and Bolo Pasha visited Mr. Hearst's house together. I say that for the information of the committee.

Did you want the committee to believe in the truth of these statements that—do you mean to give the committee to understand that you vouch for the truth of those affidavits?

Mr. BECKER. I was asked that question by one of the Senators, and I answered by asking if it was proper to express the opinion, and the ruling was that it was not.

Senator REED. Very well; that is all on that.

Mr. BECKER. So that I did not express it.

Senator REED. You said in your testimony that Bolo Pasha lived at the Plaza Hotel.

Mr. BECKER. Yes.

Senator REED. That is a very large hotel in New York City. You stated that he was well known there; that he associated with some Turks and a number of people whom you rather described as of questionable character.

Mr. BECKER. I do not think he was well known there, at all. I think he kept under cover very largely.

Senator REED. Did you not state that he was well known around the corridors of that hotel?

Mr. BECKER. No; I do not think so. I think it would have been a mistake if I had said so. I knew it was almost impossible to find anybody in the hotel who remembered him, except one or two clerks to whom he paid his bill, or something like that.

Senator OVERMAN. Are you almost through, Senator?

Senator REED. I can finish in the morning. It will take me a half hour or more to get through. I do not think that I can get through in that time to-night.

(At 5.10 o'clock p. m. the subcommittee adjourned until to-morrow, Saturday, January 11, 1919, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

SATURDAY, JANUARY 11, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.30 o'clock a. m., in Room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), King, and Nelson.
(The following letter was ordered to be inserted in the record, and is here printed in full:)

[David Starr Jordan, Stanford University P. O., California.]

DECEMBER 23RD, 1918.

Hon. LEE SLATER OVERMAN,
Chairman Special Committee Investigation,
Washington, D. C.

SIR: I beg you to make the contents of this letter a matter of record. I note in the public press that Mr. A. B. Bielaski—described as an agent in the service of the Department of Justice—has presented to your Committee a list of names of certain so-called "prominent Americans" found in the effects of one Karl A. Fuehr, said to have been an agent of the German government.

In this connection, Mr. Bielaski is reported as saying that the list he quoted, in which my name appears, "contains the names of practically all those who were actively Pro-German before the entrance of the United States into the war."

For myself, I wish to deny emphatically that I have ever been actively or otherwise "pro-German." For eight years I have openly and vigorously opposed the German emperor and the system he represented. In 1910, I spoke publicly in the German language in Berlin against German militarism, and later in the fall of 1913 in the cities of Southern Germany, from Frankfort to Munich. Among other things I said that the German war-system had "perverted and poisoned all teaching of history, of patriotism and even of religion."

I believe that I am the only outsider who has thus spoken in Germany in open meetings in the German language.

In London in August, 1914, with Sir John McDonell of the British Court drew up an indictment of German violations of International Law, which we sent to President Wilson with the plea that he verify and protest against them as well as against other violations which might arise.

In America I was correctly quoted in December, 1914, as saying: "Prussian militarism is responsible for the whole thing; there can be no permanent peace in Europe until Prussian militarism is wiped out."

That I had no sympathy with the German government my writings clearly show. I would especially call attention to "The Ways of Pangermany" in the *Scientific Monthly* for January, 1917, and to the affixed pamphlet "The Root of the Evil," and its German version, the latter distributed by our Foreign Information Bureau in German prison camps in England and France.

I never heard of Karl A. Fuehr until his name appeared in the newspapers. I never met Bernstorff, or had any relations with him or with any of the others alleged to have been associated with him.

My name appears on the published list as "David S. Jordan, of Berkeley, California." My address has never been Berkeley and I never of recent years have signed my name in that way.

Respectfully submitted.

DAVID STARR JORDAN,
Chancellor Emeritus Stanford University

Senator OVERMAN. The committee will come to order. Are you ready to proceed, Senator Reed?

TESTIMONY OF MR. ALFRED L. BECKER—Resumed.

Senator REED. Yesterday, the last thing, you were asked these questions and gave these answers:

Senator REED. You said in your testimony that Bolo Pasha lived at the Plaza Hotel?

Mr. BECKER. Yes.

Senator REED. That is a very large hotel in New York City. You stated that he was well known there; that he associated with some Turks and a number of people whom you rather described as of questionable character.

Mr. BECKER. I do not think he was well known there at all. I think he was under cover very largely.

Senator REED. Did you not state that he was well known around the corridors of that hotel?

Mr. BECKER. No; I do not think so. I think it would have been a mistake if I had said so. I know it was almost impossible to find anybody in the hotel who remembered him, except one or two clerks to whom he paid his bill. Something like that.

I now call your attention to your testimony which appears on page 5100 of the stenographer's transcript [page 2099 of this printed record], which is the testimony to which I referred in my question:

Senator REED. But were there not responsible people in New York City whom he met?

I am giving you this for the context:

Was he not invited out to dinner and places?

Mr. BECKER. I do not think so. All I have been able to trace is a friend's visit to Madame Barientos, and then I have traced his telephone calls from the Plaza, etc., and it does not indicate a very wide social acceptance.

Senator REED. I do not mean that he became a social lion.

Mr. BECKER. He used to stay around in the Plaza Hotel with a group in the bar—a group of Orientals. I do not think it is necessary to name them; they are pretty well-known men from Armenia, and such people; in the rug business and that sort of thing; one art dealer on Fifth Avenue. They would stay around there and have drinks. At least, it has been reported to me to that effect by the waiters.

Senator REED. These people that he was with were strongly anti-Germans—were they not—these Armenians? They hated Austria?

Mr. BECKER. I guess I will not discuss that now, if you will excuse me, because it is a subject that we have been very much interested in. It is under investigation.

Now, I want to know which one of these statements you stand on.

Mr. BECKER. Both.

Senator REED. Both; all right.

Mr. BECKER. The only difference is that we have got to add a waiter or two to the couple of clerks.

Senator REED. You say here nothing about a couple of clerks, but you say "He used to stay around in the Plaza Hotel with a group in the bar—a group of Orientals. I do not think it necessary to name them; they are pretty well-known men from Armenia." Now you say it is a couple of clerks?

Mr. BECKER. All right; I will add a couple of waiters to make it a little better.

Senator REED. Do you take back the statement that he hung around here with a group of Orientals?

Mr. BECKER. These terrible discrepancies in my testimony are very surprising and take me quite aback, I must say, but I am perfectly willing to stand on both and regard each as amending the other.

Senator REED. Then you want it understood that he was well acquainted around there with a group of Orientals and that these Orientals were under suspicion, and that in addition to that he was known to the waiters of the hotel?

Mr. BECKER. I think not; not at all.

Senator REED. You do not want it that way?

Mr. BECKER. No.

Senator REED. Very well; I can not find out how you believed that he was not going under his right name or that he was secreting his identity.

Mr. BECKER. I would not assert that I do not know, but my impression is we were unable to find his name on the register.

Senator REED. You know he did not secrete his identity in this country; that, as you have already stated, he had a dinner at Sherry's and invited people there; that he communicated under his own name with Mr. Grace; that he communicated under his own name with different parties? You know that, do you not, Mr. Becker?

Mr. BECKER. I think he was anxious to meet as many people socially as he possibly could.

Senator REED. Therefore he did not secrete the fact that he was Bolo Pasha, did he?

Mr. BECKER. Not in the least, outside of the hotel, but I think in the hotel he kept very quiet and was a very inconspicuous figure there.

Senator REED. Whether he was conspicuous or not, he was around with these Turks and these Armenians?

Mr. BECKER. If we can trust the waiters' identification of his photograph.

Senator REED. That is all you know about it, is it not, what you heard from other people?

Mr. BECKER. I was not there; I did not see him myself.

Senator REED. You swore, however, to these facts which I have just read, and you gave them as your best understanding of the facts, did you not?

Mr. BECKER. Yes.

Senator REED. You nod your head. You mean to say "yes"?

Mr. BECKER. Yes. I have not sworn to any facts. I am going to have that understood fully.

Senator REED. Of course, we can admit that.

Mr. BECKER. With the exception of things that have relation to my personal knowledge, which is entirely confined in the cross-examination, I have not sworn to a single fact from the start to the finish of my testimony. What I have sworn to has been information which I regarded to be trustworthy, and it is all conditioned on the proposition that I have been given correct information.

Senator REED. But when you are swearing about your information you ought to be able to make your testimony of one day agree with your testimony of another day about the same information, ought you not?

Mr. BECKER. After three or four days of cross-examination I should expect to find a great many little slips.

Senator REED. This is not a little slip; it is an important matter. Now, I want to know whether you take the position on your information or on your knowledge of facts, either one, that Bolo Pasha was secreting himself around this hotel, or whether he went around like other people and was known as Bolo Pasha?

Mr. BECKER. Neither one nor the other. He was inconspicuous.

Senator REED. He was not known as Bolo Pasha nor did he secret himself?

Mr. BECKER. Yes.

Senator REED. Was he known around the hotel as Bolo Pasha at all?

Mr. BECKER. I do not think he was known as anybody around the hotel.

Senator REED. You do not think he had any name there?

Mr. BECKER. Not among the employees.

Senator REED. These Turks and Armenians did not know him?

Mr. BECKER. I have not the slightest doubt they knew who he was. They were just strangers that would drop in to get a friendly drink in the hotel.

Senator REED. Did you not say they were a group that was under suspicion and under investigation at this time?

Mr. BECKER. No; nothing like that, at all.

Senator REED. You did not?

Senator KING. You said that one of them was an art dealer on Fifth Avenue.

Mr. BECKER. Yes; but I have not stated they were under suspicion at all.

Senator REED. You have not? Let us see.

Mr. BECKER. I said we were interested in them and had them under investigation.

Senator REED. Do you investigate a thing you have not any suspicion about?

Mr. BECKER. Sometimes we do not suspect the persons we investigate, but we suspect somebody that is back of them, and under other circumstances.

Senator REED. You testified to this, did you not:

Mr. BECKER. He used to stay around in the Plaza Hotel with a group in the bar—a group of Orientals. I do not think it is necessary to name them; they are pretty well-known men from Armenia, and such people; in the rug business and that sort of thing; one art dealer on Fifth Avenue. They would hang around there and have drinks. At least, it has been reported to me to that effect by the waiters.

Senator REED. These people that he was with were strongly anti-Germans, were they not—these Armenians? They hated Austria?

Mr. BECKER. I guess I will not discuss that now, if you will excuse me, because it is a subject that we have been very much interested in. It is under investigation.

Mr. BECKER. You see, there is some evidence that Bolo came in contact with the Turkish consul general.

Senator REED (reading):

Senator REED. The veil of mystery will be drawn there. All right. Now we want merely to take up a few dates.

In addition to that you said he had been out with some girls and a captain.

Mr. BECKER. The name there should have been Verdier.

Senator REED (continuing). Of the French Army. Did he go under an assumed name when he was with this captain, or did the captain know who he was?

Mr. BECKER. The captain was introduced to him by Madame——

Senator REED. Barrientos?

Mr. BECKER. No. This was not a very reputable crowd. He was introduced by one of the women at a hat shop or modiste shop.

Senator REED. I just want to know if that man knew that he was Bolo Pasha.

Mr. BECKER. I think probably he did; I do not know. It is a fair inference that he did, from the facts.

Senator REED. The Plaza Hotel, I guess you will admit, is a large hotel, where there are hundreds of people going in and about all the time?

Mr. BECKER. Oh, yes.

Senator REED. Now, was Count von Bernstorff pretty well known around the hotel where he stopped?

Mr. BECKER. The Ritz-Carlton. I guess everybody knew him.

Senator REED. And they knew he was the German ambassador?

Mr. BECKER. Oh, yes.

Senator REED. The Secret Service was pretty active in those times, was it not?

Mr. BECKER. I think there was none that was active around the Plaza Hotel or the Ritz-Carlton. I have never seen the slightest sign of there having been anything of that sort.

Senator REED. I am not asking if it was active around any particular spot. I am asking if the Secret Service of the United States Government was pretty active during this period.

Mr. BECKER. Oh, it was very inactive.

Senator REED. How about the English secret service?

Mr. BECKER. There has been more nonsense stated about what the British secret service was supposed to be doing than anything else. As a matter of fact, they had only two or three men here in the country at the time. They were very inactive.

Senator REED. The English were asleep, and the French also were asleep, were they?

Mr. BECKER. They had not anybody.

Senator REED. They had not anybody at all?

Mr. BECKER. No.

Senator REED. No English agents, secret or otherwise, over here; no French agents, and our own Secret Service was absolutely asleep?

Mr. BECKER. No; inactive.

Senator REED. Inactive?

Mr. BECKER. Yes.

Senator REED. Were all the police force of New York City also asleep or inactive?

Mr. BECKER. They were doing absolutely nothing as regards the question of German espionage, or anything of that sort.

Senator REED. I suppose you mean to have us understand, then, Mr. Becker, that it was perfectly natural for this man who had come over to betray his country, and who was known around the hotel as Bolo Pasha——

Mr. BECKER. No; I do not think he was.

Senator REED. You have just told us he was.

Mr. BECKER. I deny it.

Senator REED. You have told us he was known to these Turks—these Armenians, and you have said he was known on Fifth Avenue to a man there, and you said he tried to break into society. You want us to understand that this man came over here to betray his country in the city of New York, and repeatedly met the German ambassador, who was a marked man and known by everybody——

Mr. BECKER. You have got a lot of things in there that are not true at all. That is an argumentative question, and most of the things you assume are not true at all.

Senator REED. It is true that Bernstorff was well known, is it not?

Mr. BECKER. I think that there was not probably more than one person attached to the staff of the Plaza Hotel that knew him.

Senator REED. Was he well known around the Ritz?

Mr. BECKER. Undoubtedly, he was.

Senator REED. What right have you got to say that not more than one person around the Plaza Hotel knew Count von Bernstorff?

Mr. BECKER. It was not, what we call out in Missouri, his "hang-out." His "hang-out" was the Ritz-Carlton.

Senator REED. You just assume that, and do not hesitate to say that there was not one person that knew him?

Mr. BECKER. I am trying to match argument with argument. That is all.

Senator REED. You are trying to match argument with something that you do not know anything about.

Mr. BECKER. That is where you have the advantage over me. You can say anything you please, and I can not.

Senator REED. I do not think I have much more advantage than you have been taking.

Mr. BECKER. Possibly not.

Senator OVERMAN. Proceed, gentlemen.

Senator REED. You want the committee to understand that this Frenchman came over here with the purpose of betraying his country, of selling it to Count von Bernstorff, and that after the deal was all made he then went about the streets of New York with Bernstorff?

Mr. BECKER. I never said any such thing.

Senator REED. Why, have you not put in, in the affidavits that he rode around with von Bernstorff?

Mr. BECKER. In a taxicab. You have got him walking around the streets with him.

Senator REED. I said he went about; I did not say "walked about." That they went to Mr. Hearst's house, which is in a large apartment building, where people could see them together; you want that believed, do you?

Mr. BECKER. Now, just think of this——

Senator REED. Just answer the question.

Mr. BECKER. I am going to say something a little different.

Senator REED. Just answer my question.

Mr. BECKER. I am not going to answer it directly; I will answer it indirectly. It is only one degree stranger——

Senator REED. I want that question answered. I am entitled to an answer to this question.

Senator KING. I think you should answer the question first, and then you can make such explanation as you want to.

Mr. BECKER. I will answer it "no"; and this is the explanation. It is only one degree more strange than the association of Bolo with Pavenstedt. Pavenstedt was a man who had in his own office Boy-Ed and von Papen as office associates. He was a man whose connection with the German propaganda was known to many circles. There was Mr. Pavenstedt sitting down to the board at Sherry's with Bolo Pasha, a Frenchman and a German together, and Mr. Hearst sitting there with them, and a lot of other good Americans, and nobody suspecting anything. Nothing among these things seems incredible until you consider the fact that America was neutral at the time, and we simply were very, very easy and unsuspecting in this country.

Senator REED. That applies to everybody in the world but Hearst. If he was there he was a wicked scoundrel and a betrayer of his country, of course. But everybody else was free and easy, as you say.

Mr. BECKER. That is a nice little speech, and I would like to reply to it. May I reply, Mr. Chairman? The only question about Hearst is not founded on the dinner, because the way that people looked at things at that time in this country was such that they did not apparently tumble to what it meant seeing Bolo and Pavenstedt fraternizing together. But I will concede there is a vast difference, after all, between Pavenstedt and Bolo and Bernstorff and Bolo together. I will concede, when anybody saw Bernstorff and Bolo together and knew who they were and knew that one of them was not a Turk, as he appeared to be, but was a Frenchman, and knew that the other was the German ambassador, he would be a marvelously unsuspecting man——

Senator REED. You want it understood that this man Bolo Pasha, who came here to betray his country, did the very thing which you say would have aroused the suspicions of any man; he began to go about with and meet von Bernstorff?

Mr. BECKER. If he had done it openly, in a way that would have been discovered by anybody, he would have been putting his neck in the noose.

Senator REED. You have testified here that they met on a number of occasions; they rode in automobiles on a number of occasions.

Mr. BECKER. Two occasions. There are two shown.

Senator REED. Well, let us see—and then went to Mr. Hearst's house on a number of occasions?

Mr. BECKER. Together, twice.

Senator REED. Together, twice; and went there the same day on a number of occasions?

Mr. BECKER. No.

Senator REED. Do you know whether Mr. Hearst's house might almost be called an open house; that is to say, that a great deal of business is transacted there—that there are a large number of people coming and going through that house nearly every hour of the day?

Mr. BECKER. I really think that is not so, Senator Reed, from what I know.

Senator REED. Do you say it is not so?

Mr. BECKER. Yes. I really think so. I am only giving you my opinion. I believe that is not so. I believe it is a private apartment and that the persons who are going back and forth there are very few. Mr. Hearst, I know, keeps himself there in considerable session, because it came out in court there were days that a process server, while he was in New York, spent six weeks in trying to serve him with a process, and finally had to serve it by publication.

Senator REED. Did they have any harder time serving it than they had serving it on your man Musica, when they had to break out a window to get him?

Mr. BECKER. What are you referring to? I know nothing of any such event.

Senator REED. I will see if I can not refresh your recollection a little. I am asking you this question, and I just want you to tell the committee if you know anything about it, and if you do not know anything about it, say so: Whether it is not a fact that there are a great many people who visit Mr. Hearst's apartment at all the ordinary hours of the day when people visit, in the afternoon and at night, up to 10 or 11 o'clock, and if in a sense it might not almost be said that he keeps open house?

Mr. BECKER. If the information we have from these witnesses is trustworthy, that is not true, and the only person who ever had anything like that sort of a free privilege, of getting there and getting there unannounced, was von Bernstorff.

Senator REED. That is your statement. Do you swear that he was the only man that could go up that elevator unannounced, or are you swearing to that as something in your information?

Mr. BECKER. The information that was given us by this committee was to the effect that Bernstorff was the only one.

Senator REED. By these discharged bellboys or one of your convicts. Now, what other convicts did you get any information from? Did you get any information except what you got through Musica--any of it?

Mr. BECKER. I have stated a good deal of the information I received was obtained by his investigations, which were very effective.

Senator REED. Well, let us see. You tried to tell us yesterday something about fixing some dates, and that you had some affidavits that were made, that Mr. Musica wrote them down, and you wanted to fix a date, and that the date was not right in these affidavits.

Mr. BECKER. Was not right in one affidavit. It did not agree with the others, and that raised the question.

Senator REED. The date you were trying to fix was the date of visit to Mr. Hearst's apartment?

Mr. BECKER. No; the date of the time the Mason & Seaman Taxicab Co. went out of business.

Senator REED. The date the Seaman Taxicab Co. went out of business was utterly immaterial except as it helped to fix another date, and that other date was the time of the alleged visit of Bernstorff to Mr. Hearst's apartment. That is correct, is it not?

Mr. BECKER. Yes.

Senator REED. And you say that you found in these affidavits that were originally taken, that one of your witnesses fixed the date of Seaman's failure in the month of August?

Mr. BECKER. That is as I recall it, but it may not be correct.

Senator REED. And you learned the fact was that it was in the month of April, and accordingly you changed the affidavits to conform to the fact as ascertained?

Mr. BECKER. No.

Senator REED. Or you changed the testimony?

Mr. BECKER. No; that is not right. I did not change any testimony. I took the gentleman's deposition, and after his memory had been refreshed and checked up we got it right.

Senator REED. Now, I want to see if you do not think you will have to recheck it again. I put in the record the certified copy from the United States District Court, in the case of the Michelin Tire Co., complainant, against the Mason & Seaman Transportation Co., defendant.

Mr. BECKER. Now, what is the date given there? The company went out of business twice. That is the explanation of that.

Senator REED. This is the first one, and this is the one you were fixing the date by, which shows that the order appointing the receivers was filed March 31, 1916.

(A printed copy of the order of the United States District Court for the Southern District of New York, appointing receivers for the Mason-Seaman Transportation Co., referred to, was here filed with the committee by Senator Reed.)

Mr. BECKER. Yes.

Senator REED. Neither August nor April.

Mr. BECKER. Now wait a minute, please. Do not try and imagine for a second that it is possible, when I am present, to get away with anything like that.

Senator REED. Well, I know, but with a man of your shrewdness and ability——

Mr. BECKER. That is so ridiculous I am going to insist upon the opportunity to point out what the thing was, right now. That was the 31st day of March. Now, Mr. Fredriksen's testimony is that he left them on the 1st day of April.

Senator REED. Fredriksen says in his testimony that he left them on the 1st day of April.

Mr. BECKER. Yes.

Senator REED. Let us see.

Mr. BECKER. He seems to have been 24 hours wrong. It is a serious matter.

Senator REED. You said some time in April, in your testimony.

Mr. BECKER. The deposition speaks for itself.

Senator REED. But you did not introduce the deposition.

Mr. BECKER. I put in these depositions, and you have had them in your possession, Senator, and have examined from them.

Senator REED. Very well; we will not quarrel about that. Let us see what Fredriksen does say, that part where it goes to fixing this date.

Mr. BECKER. "April, 1916. The 1st of April, I think it was." That is his answer.

Senator REED. I am talking about the affidavit.

Mr. BECKER. I am talking about the deposition, which I hand you [handing paper to Senator Reed].

Senator REED. I have the affidavit, and it is the affidavit you revised and put forward. I will be glad to have these depositions. This is the first time I have had them.

Mr. BECKER. I beg to challenge the Senator's statement on that. He cross-examined me from that deposition.

Senator REED. Well, do not let us quarrel about that.

Mr. BECKER. He has been trying to make it appear that I was withholding those depositions, which is absolutely not the case.

Senator REED. I am reading from the affidavit, now:

On one occasion, which I place, for reasons hereafter stated, as in cold weather, which, as I remember, was some time during 1916, before the Mason & Seaman went into bankruptcy, I drove Count Von Bernstorff from the Carlton Hotel to the Plaza Hotel. He there picked up a stranger,

And so forth.

Now, that is the only statement fixing the date of the affidavit. But you have testified that these affidavits are a correct condensation of the depositions.

Mr. BECKER. Yes.

Senator REED. And that is just as near as this gentleman can get that it was sometime in cold weather, "which," he says, "I remember was sometime during 1916, before the Mason & Seaman went into bankruptcy."

Mr. BECKER. Yes.

Senator REED. Now, the bankruptcy occurred on the 31st day of March.

Mr. BECKER. I think the receiver took possession on the 1st day of April.

Senator REED. Oh, I do not care about that one day. I have not been haggling about that.

Mr. BECKER. You seemed to care a good deal about it a few minutes ago.

Senator REED. No; I did not. I understood your statement to have been that it was sometime in April, and I was trying to fix the accurate date.

Now, let us go to the next witness and see how accurate he is. After you had talked this all over and after you had revised the testimony—I am talking about Harry Block—he said:

I can not recall the date when this happened, except that I remember it happened in cold weather, and that it was in the year 1916, prior to the time when the Mason & Seaman Co. went into bankruptcy on the first occasion. I can not state definitely whether it was in the cold weather at the beginning of 1916 or in the cold weather at the end of 1916.

So that this gentleman could not come within 12 months.

Mr. BECKER. Except that he remembered it was shortly before the bankruptcy, and when that was he did not distinctly recall.

Senator REED. And he could not remember the bankruptcy within 12 months.

Mr. BECKER. He could not remember it at all. He was not sure whether it was one year before or two.

Senator REED. He is quite a reliable witness to fix facts by.

Mr. BECKER. And a pretty honest one, I should say; a man who is trying pretty hard to tell the truth.

Senator REED. Harry Block?

Mr. BECKER. Yes; Harry Block.

Senator REED. Did you ever see that man [handing witness photograph]?

Mr. BECKER (after examination). Well, I have not any recollection of him whatever. I do not know. I do not think I have. Still, I can not swear to it.

Senator REED. Did you ever see this man [handing witness another photograph]?

Mr. BECKER. No; I am almost sure I never did. I may have. I can say that the second one I am quite positive does not resemble any of those witnesses.

Senator REED. You can not say that about the first one?

Mr. BECKER. The first one I am not so sure about. It might possibly be one of them. There was a smooth-faced fellow who looked like a Hebrew, as I think he does [indicating].

Senator REED. Which one of the witnesses does he most resemble, in your mind?

Mr. BECKER. I could not distinguish them now.

Senator REED. Could you not give us a reasonably good guess as to which one of the witnesses you think he looks like?

Mr. BECKER. Let me look over the list. [After examining list.] Berkowitz, I should say; and I think the resemblance is very slight. You see, I saw these people only once, and I have not a very good recollection for faces. I do not want to be put in the position of saying that those are not photographs of some of those men, but I could not help you on that, because I really do not remember.

Senator REED. What does Block look like? Have you got any recollection about Block? He was the Hebrew, was he not?

Mr. BECKER. I think Berkowitz was a Hebrew. I would have said that Block was not.

Senator REED. You saw these witnesses a number of times, did you not?

Mr. BECKER. No; only once.

Senator REED. You were in the room quite a while with them, and took their depositions? That is right, is it not?

Mr. BECKER. Yes; a couple of hours.

Senator REED. And you had good light and could see them well?

Mr. BECKER. Yes.

Senator REED. And yet you can not identify photographs and state whether they are their photographs or not, but you unhesitatingly put into the record as against a citizen of the United States the identification by a hack driver or chauffeur of a photograph of a man that he had not seen for a year or two years before he gave the testimony?

Mr. BECKER. That does not seem to call for any answer.

Senator REED. No. The doctrine of *res ipse* would apply to that, I think.

Mr. BECKER. I will say this about myself, that my political career has always been interfered with by inability to remember names and faces. I have not that political talent. I have often wished that I had.

Senator REED. I presume undoubtedly your chauffeurs—witnesses—possessed it to a high degree?

Mr. BECKER. They very often do. I have often noticed it, that men of that type and station in life, who pick up customers here and there,

have a wonderful ability, to me it seems, to remember the people that they take around.

Senator REED. It is quite a usual thing for a New York chauffeur who drives an unknown man once, to be able to identify his photograph two years afterwards?

Mr. BECKER. Yes; it is quite a usual thing.

Senator REED. You think that would be the ordinary thing for the driver of a taxi?

Mr. BECKER. Besides, I have a notion that anyone who has seen Bolo Pasha would remember him. Look at his photograph.

Senator REED. He had highly developed characteristics?

Mr. BECKER. See what an unusual and distinguished looking person he is.

Senator OVERMAN. Have you his photograph there?

Mr. BECKER. Yes.

Senator REED. Do you think this talent is peculiar to the drivers, the chauffeurs, of New York, or is it one that is simply denied to gentlemen of your ability?

Mr. BECKER. It very often pertains to the men who make their living out of getting patrons and picking people up, and all that.

Senator OVERMAN. Never mind about that photograph, Mr. Becker, of Bolo Pasha.

Mr. BECKER. I have it here, unless it has slipped out.

Senator REED. I think those photographs are here in this deposition that you gave me. I suppose they are here. I do not know the gentleman. Is that the one [indicating photograph]?

Mr. BECKER. Yes; that is Bolo in the dock awaiting his trial.

Senator REED. Who is this man [indicating another photograph]?

Mr. BECKER. That is von Bernstorff.

Senator OVERMAN. This was while Bolo was on trial in France?

Mr. BECKER. Yes.

Senator REED. Who is this [indicating another photograph]?

Mr. BECKER. That is Bolo as he walked along the street.

Senator REED. You think that there is something so peculiar and remarkable about that man that a chauffeur—a New York chauffeur—having seen him once, would be able to sort out his picture two years afterwards, although he could not remember within a year of the time.

Mr. BECKER. I think that he is a good deal stronger on men's faces than he is on dates.

Senator REED. Yes; undoubtedly; particularly if he got—how much did this gentleman get when he got through giving his testimony?

Mr. BECKER. Which one?

Senator REED. Well, we will say, Mr. Block. How much did he get?

Mr. BECKER. My recollection is that he got \$2.25.

Senator REED. The fact is, is it not, that he got forty some dollars?

Mr. BECKER. I do not think that there is the remotest chance that, unless he was in the Army. Was he off in the Army, somewhere? Let us see. There was one man who was brought there from a distance, and we had to pay his railroad fare, and it amounted to quite a little. I will tell you in a minute whether that was

Block or not. [After examining papers.] Block was employed in the Brooklyn Navy Yard at the time, and I am positive he did not get but just a very small sum of money, just enough to pay for his meals, or something like that. I would be under the impression that Block did not get more than 50 or 75 cents or something like that; not more than a dollar. I recall the man that came from the navy yard, and he would get his pay, anyhow, whether he was over with us or not. It did not involve a loss of pay, so that he did not get anything but the price of a meal.

Senator REED. Fredriksen was the gentleman whose recollection was stimulated by these affidavits?

Mr. BECKER. Yes; I stimulated his recollection.

Senator REED. He is the man that got \$40, is he?

Mr. BECKER. I stimulated his recollection as to the dates and the things—the date when the bankruptcy occurred.

Senator REED. How much money did Fredriksen get?

Mr. BECKER. Let us see where he came from. He was paid for his loss of time.

Senator REED. How much?

Mr. BECKER. Probably a couple of dollars.

Senator REED. Have you not testified here that he got \$40? Who was it that got \$40?

Mr. BECKER. I do not think I testified as to that as to anybody. I testified that Franco got \$30, and I will tell you what I found out about that; when I got home I found out that his bill had been lying around for several months, and he had not been paid, and the amount was \$27, and he was paid \$27 on the 27th or the 28th of December last, which was after the beginning of your cross-examination.

Senator REED. As a matter of fact, did not Fredriksen get \$41?

Mr. BECKER. Oh, no; I am very sure he did not. I could not see any possibility of that at all. The man that cost the most money was in the second batch, I believe. I will tell you in a minute.

Senator REED. How much did this man who cost the most money cost?

Mr. BECKER. I will tell you in a minute, if you will wait. George Aloysius Butler—wait a minute; maybe I am wrong about that. I think that is right. Yes, that is right; George Aloysius Butler. He was down in Camp Sevier, in South Carolina. I arranged with the Military Intelligence to have him come up, and I paid his carfare from South Carolina to New York. I do not think I paid it the other way, but I may have.

Senator REED. How much did it cost?

Mr. BECKER. I do not remember. You can find out what the carfare is coming up in an ordinary coach.

Senator REED. Now, have you not testified that you paid one of these men a sum of money—I think about \$30—and that the reason you paid it was that he had a cab?

Mr. BECKER. Yes; that was Vittorio Franco.

Senator REED. That is Franco?

Mr. BECKER. Yes; he did not have a cab. He had a motor truck.

Senator REED. He had a motor truck?

Mr. BECKER. Yes.

Senator REED. In addition to Franco, who got how much money?

Mr. BECKER. \$27.

Senator REED. \$27?

Mr. BECKER. Yes; and he got that on the 27th of December, I think.

Senator REED. Well, it is not very material when he got it, if he got it.

You paid, or caused to be paid to Fredriksen—I just want to ask you if you will be sure you did not pay him about \$41, or cause it to be paid?

Mr. BECKER. I am positive, unless there is some circumstance that has entirely gone out of my mind. If he was brought from a distance and had to come a long way, that would have been done, but I have no recollection of anything of that kind in his case.

Senator REED. Was he brought from a distance?

Mr. BECKER. No. My recollection is that the farthest he came from was over on Long Island.

Senator REED. Very well.

Mr. BECKER. Wait a minute, now, until I verify that. He lives at 4703 Sixth Avenue, Brooklyn, and I believe he was just paid for his day's time, or something like that.

Senator REED. Did you know anything about the vouchers that were on file with the Governor of New York, or in the capitol at Albany, having been requested to be sent to this committee?

Mr. BECKER. Well, all I know about it is this: I know that the Attorney General called me up three days ago—that would be on Wednesday, I guess; possibly it was Tuesday—and said that the request had been made, and wanted to know what I thought about it.

Senator REED. Where were you then?

Mr. BECKER. In New York. He called me on the long-distance telephone. We agreed that it should be done.

Senator REED. That what should be done?

Mr. BECKER. That they should be sent here.

Senator REED. And you agreed with Attorney General Gregory—

Mr. BECKER. With Attorney General Newton, of New York. I am not talking about Mr. Gregory.

Senator REED. You gave your full consent to their coming here?

Mr. BECKER. Oh, yes.

Senator REED. Have you copies of them in your office?

Mr. BECKER. No.

Senator REED. Have you any books from which the facts can be obtained?

Mr. BECKER. No.

Senator REED. Do you know how it happens, then, that the governor did not send them?

Mr. BECKER. He did.

Senator REED. Did you have any consultation about the matter further than you have stated?

Mr. BECKER. None whatever.

Senator REED. Did you have any talk with these military gentlemen who sit back here and seem to enjoy this so much, about these papers?

Mr. BECKER. No; none whatever.

Senator REED. Did you have anything to do, directly or indirectly, with the refusal of these papers?

Senator REED. Yes.

Mr. BECKER. All right.

Senator REED. Let us have it all.

Mr. BECKER. That the request had been made on the 31st of December, and that Gov. Whitman had then issued an order, directed to him—Mr. Newton—to produce the papers down here, which he said to me, I remember, was embarrassing to him, because the governor went out of office before he came into office.

Senator REED. You mean the governor went out of office before Mr. Newton came into office?

Mr. BECKER. Yes.

Senator REED. Very well.

Mr. BECKER. He took it up with Gov. Smith, and they agreed that the papers should be sent down here; and I said to Mr. Newton, "I do not see any reason why they should not be." I said, "I have gone over them and examined them all, and I do not find anything in them that can not properly be disclosed. Everything seems very reasonable." I remember he joked about it, because somebody had charged 40 cents for a breakfast, which I said was rather an evidence of apparent evil, because the presumption was that any man that would eat a 40-cent breakfast had not had it at all. The result was that we agreed that the papers could properly be sent down here.

I then said to the attorney general that I wanted to call his attention only to the fact that in the papers there were various charges against the Department of Justice, and that Attorney General Gregory had an interest in the matter for that reason. That was all that was said. He did not tell me what he would do.

I then sat down and wrote a letter to Senator Overman concerning the matter, part of which reads as follows:

The request of your committee for the production of all the vouchers showing expenditures of the State Secret Service has been a subject of discussion between the new Attorney General and me. I do not know, definitely, what will be the action by the present administration thereon.

In the long-distance conversation, according to the best of my recollection—

Senator REED. What was the date of this letter that you wrote?

Mr. BECKER. The same day, and within a few minutes after that.

Senator REED. That would be December—

Mr. BECKER. January 7.

Senator REED. January 7?

Mr. BECKER. Yes. Within a short time thereafter, if not in this same conversation, I received word in some way—my recollection is that it was in the conversation, but for some reason or other I have a kind of a blank in my mind on that—I had an appointment with Mr. Newton on the arrival of this train—

Senator REED. How did you make that appointment?

Mr. BECKER. I think it was over the telephone in this same conversation. Let me see, now; this was on Tuesday, the 7th, and I believe Mr. Newton told me at that time that on Thursday, the 9th, he would arrive in New York on a train due about a quarter after 9, and would see me then. Let me see; did I come down here yesterday morning, or was I here the day before?

Senator OVERMAN. Yesterday.

Mr. BECKER. Oh! And accordingly I went to the hotel and found him there, and he then disclosed to me that that afternoon before he left Albany the messenger had come back to Albany with the papers and with a letter from Attorney General Gregory. But, so far as I can recall, he did not tell me much about what was in the letter. I did not learn that until I had a chance to talk to Mr. O'Brien. However, my memory may be defective on that point.

Senator REED. You at no time made any resistance to the sending of these papers, Mr. Becker?

Mr. BECKER. Do you mean in my conversation with Mr. Newton?

Senator REED. Yes.

Mr. BECKER. None whatever.

Senator REED. Or in any letters that you wrote?

Mr. BECKER. No.

Senator REED. Or in any conversation that you had with anybody?

Mr. BECKER. No.

Senator REED. When did you change from your attitude of refusal to turn over these papers to your attitude of entire friendliness to their being turned over?

Mr. BECKER. I never was entirely friendly to the idea, because I felt that there was a strong public policy against it, and I told Mr. Newton——

Senator REED. Well, you entirely acquiesced in it, then?

Mr. BECKER. I told Mr. Newton that I thought so.

Senator REED. You told Mr. Newton that you thought what?

Mr. BECKER. That there was a public policy against it.

Senator REED. Then you did resist turning over these papers?

Mr. BECKER. But Mr. Newton told me that he—well, to put it flatly, he practically told me that it was an affair that was settled, and inasmuch as there was nothing wrong, I felt the best thing for me to do was to agree, as I did, but not on principle; I agreed as a matter of expediency, and did not agree on principle, and do not.

Senator REED. Then, as a matter of fact, when you stated a little while ago that you talked it over with him and you agreed that the papers should be turned over, what you really meant was that Mr. Newton told you, in substance, that he was going to turn them over anyway, and being unable to prevent it, you acquiesced?

Mr. BECKER. No; that is not quite it, either. It is a little more subtle than that.

Senator REED. It is a little more subtle than that, is it? Well, I wish you would draw the subtle distinction so that an ordinary mind like mine, can get it. I am not very good on subtleties.

Mr. BECKER. All right. I will do my best.

Mr. Newton's idea was, and he expressed the opinion, that it should be done, but he wanted to consult with me about it and see what I thought about it. I told him that I thought there was a public policy against disclosures of that kind. He said: "I have gone over the papers, and there is absolutely nothing in them that is not perfectly all right, and it seems to me that it is more dangerous to decline than it is to comply; that there will be inferences raised on account of it." "Well," I said, "all right." I knew there was no harm in the papers, and I could not see any reason why, as a matter of expediency, they should not be turned over, although I thought

that there was a question of policy involved against it. That is about the substance of it.

Senator REED. You then became willing, did you, finally, that the papers should be allowed to come here?

Mr. BECKER. Oh, yes; and so expressed myself.

Senator REED. And you say there was nothing in them that could not properly be disclosed?

Mr. BECKER. I say there was nothing in them that would harm anybody; but I think that the whole thing was something that should not properly be disclosed.

Senator REED. They did contain the names, did they not, of your investigators, and the sums of money paid to these investigators?

Mr. BECKER. Yes.

Senator REED. These papers contain those names, do they not?

Mr. BECKER. Oh, yes; absolutely every one.

Senator REED. Now, since you say there is nothing improper to be disclosed, please tell us the names of the investigators who were working on the Bolo Pasha-Humbert matter.

Mr. BECKER. I think that I will adopt this course. Of course, I am placed in a very difficult position on account of the attitude of the Department of Justice. These matters that were conducted for the French Government, and that are past, so far as they are completed I can properly disclose. Matters that are now under investigation, including the Humbert case, I can not disclose.

Now, with regard to the Bolo case, the persons who investigated it that I know of were Perley Morse and his force of accountants and investigators, whom I can not name. To a limited extent I investigated it myself.

After the investigation was practically complete on certain phases of the Bolo case, Mr. Musica did some investigation. That, however, was all done after the publication in the newspapers of the facts. I do not think that he had anything to do with the Bolo case until the latter part of October.

Senator KING. Of 1918?

Mr. BECKER. Of 1917. About two or three weeks after the disclosures in the newspapers. In fact, up to that time Mr. Musica had not done any work in connection with this so-called secret-service work. All his work was on the Baff murder cases.

Senator REED. Well, he got the four affidavits, did he not?

Mr. BECKER. Yes; in June of the following year.

Senator REED. Yes.

Mr. BECKER. That matter is finished, and that is all that I can recall, except that I am under the impression that there is another investigator I had who did some work on it on account of his French connections; a man named Blumenthal.

Senator REED. Blumenthal?

Mr. BECKER. Yes.

Senator REED. Herman Blumenthal, is it not?

Mr. BECKER. Oh, no.

Senator REED. What is it, then?

Mr. BECKER. Charles.

Senator REED. Charles Blumenthal?

Mr. BECKER. Yes. He is a brother of one of the French high commissioners. I am not positive that he did any work. I would have to refresh my recollection on that.

Senator OVERMAN. Senator Reed, will you let me read into the record some telegraphic communications that I have had with the governor of New York?

The communications in this matter are as follows:

[Telegram.]

NEW YORK, December 28, 1918.

Senator LEE S. OVERMAN,
Salisbury, N. C.

Please immediately wire Governor Charles S. Whitman to forward to your committee all vouchers and reports by Attorney General Lewis or any of his assistants showing the expenditures of moneys for any purpose whatever in connection with any investigation conducted by the Attorney General relative to Bolo Pasha or Senator Humbert whether pursuant to Chapter 595 of the laws of 1907 or otherwise. I am confident the Governor will comply with your request as chairman of the subcommittee. Please attend to this at once as it is important that action be taken before the Governor goes out of office on December 31st.

JAMES A. REED.

[Telegram.]

SALISBURY, N. C., December 29, 1918.

His Excellency Governor CHARLES S. WHITMAN,
Albany, N. Y.

For use of subcommittee of Judiciary, U. S. Senate, to investigate German propaganda and activity of the Brewers I respectfully request you to forward to committee, Washington, D. C., vouchers and reports by Attorney General Lewis and assistants showing expenses in connection with investigation conducted by the Attorney General relative to Bolo Pasha or Senator Humbert pursuant to Chapter 595, Laws 1907, or otherwise, State of New York.

LEE S. OVERMAN,
Chairman, Subcommittee

[Telegram.]

ALBANY, N. Y., Dec. 30, 1918.

Hon. LEE S. OVERMAN,
Washington, D. C.:

I have asked the attorney general elect to forward to your committee vouchers as per your telegram received. Will you communicate direct with Hon. Chas. E. Newton, Attorney General, Capitol, Albany.

CHAS. S. WHITMAN.

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, January 7, 1919.

Hon. THOMAS W. GREGORY,
Attorney General of the United States, Washington, D. C.

DEAR SIR: The Overman subcommittee, investigating German propaganda, has requested the production before it of vouchers showing the disbursement of funds appropriated by the State of New York pursuant to Chapter 595 of the laws of 1917.

Mr. John A. Waldron has these papers in charge. In several instances the vouchers show payments by the United States Government in connection with the State of New York. Before producing these vouchers to the subcommittee.

we have requested Mr. Waldron to call upon you and see if you wish to consent to such production. It has occurred to us that perhaps it would be against the policy of your office to have disclosed the names of those men to whom sums of money have been paid in this confidential work.

Please advise Mr. Waldron, in writing, as to whether or not you consent to the production of these vouchers before the subcommittee in question and he will act accordingly.

(Signed) **ALFRED E. SMITH,**
Governor.

(Signed) **CHARLES D. NEWTON,**
Attorney General.

JANUARY 8, 1919.

Mr. JOHN A. WALDRON,
Washington, D. C.

SIR: I have before me the letter of the 7th instant, addressed to me by the Governor and Attorney General of the State of New York, calling attention to the fact that the subcommittee of the Judiciary Committee of the Senate, investigating German propaganda, has requested the production before it of vouchers showing the disbursements of funds appropriated by the State of New York pursuant to Chapter 595 of the laws of 1917.

The letter states that you have these papers in charge and calls attention to the fact that some of the vouchers show payments by the United States Government in connection with the State of New York and asks whether I consent to the production of these particular vouchers before the subcommittee on question.

The Attorney General of the State of New York, at my request, investigated several matters connected with German propaganda, and the information obtained will be utilized by the Federal Government in the trial of several men now under indictment and possibly this evidence may be used as the basis for the indictment of other individuals as well.

Under these circumstances, and in accordance with the long established rule of this department, I deem it incompatible with the public interest that the information contained in these vouchers should be made public and I therefore do not consent to their production by you.

Respectfully,

(Signed) T. W. GREGORY,
Attorney General.

Senator REED. If the committee please, I ask, and will make a formal motion, that the Attorney General be requested to waive his objection to the bringing of these papers to the city of Washington, where they can be examined by the committee, confidentially, and those papers which pertain to the business of the Government and which can not be properly disclosed be segregated from the other papers, and that the papers that can be properly used shall then be brought here to this city for the purpose of examining this witness, and for such other purposes as they may be properly employed in.

Senator OVERMAN. Do you prefer for us to segregate, or to let him segregate them? How would it do to just telegraph him to send all the papers consented to by the Attorney General?

Senator REED. No; I prefer to have it done here. And let me add that I also ask that the governor of New York and the Attorney General be requested to return these papers here at once, to the end that they may be dealt with as indicated in the foregoing motion.

Senator OVERMAN. At the same time assuring the governor that these papers objected to by the Attorney General will not be produced?

Senator REED. Assuring the governor that the committee will not use those which, in the opinion of the committee, after conference with the Attorney General, should not be used.

I insist upon this. This Senate committee has the right to investigate this subject matter. It has been directed to do it by the Senate, and it becomes its solemn duty to carry out that direction. It sends to the State of New York for evidence. It does not get this evidence from the United States Government or the Attorney General. If the documents were in the possession of the Attorney General, if they were his own documents, I still have no doubt of the fact that the Senate would have the right to demand them; but I also know that the Senate would demand them in such a way, and employ them in such a way, as in the opinion of the Senate would not interfere with the public business. But in this case, I think probably for the first time in the history of our Government, do you find an attempt to keep from the Senate documents which it has called for, and which are in the possession of State authorities, and which, at most, can be nothing but mere vouchers and receipts for money paid. Yet it presents a grave question, and it is one which I hope will be dealt with in that spirit.

Senator KING. I think that that statement of yours might be a little unfair to the State. From the record here it is apparent that the State has not declined to produce these documents.

Senator REED. I did not mean to say that it has.

Senator KING. I think your statement would be susceptible of that construction, and I think that Gov. Smith and Attorney General Newton pursued a very courteous and very proper course, and they have acted very prudently in the matter.

Senator REED. Except that they ought, I think, to have submitted this matter to the Senate committee instead of coming here, and without seeing the Senate committee, returning the papers.

Senator KING. I am not speaking about their returning. I think it was quite proper that they should submit the matter to the Attorney General of the United States, in view of the fact that some of those papers, as I understand, relate to expenditures made by the Department of Justice, and that some of the persons to whom money had been paid were still investigating matters for the Federal Government. But I wanted to make one inquiry, Mr. Chairman, with your permission, first possibly of Senator Reed, and then of the witness. Is it contended, Senator Reed, that those vouchers relate to matters in connection with the Bolo Pasha case and matters with which Mr. Becker is familiar?

Senator REED. Yes; matters with which he is familiar, or about which Mr. Becker has testified here.

Senator KING. Because, if he is not familiar with the expenditures and not connected with them in any way, then, no matter what the expenditures were, or the extent, it would be wholly immaterial to produce them in connection with the cross-examination of Mr. Becker.

Senator REED. I said, and for such other purposes as they may be used for.

Mr. BECKER. May I clear that matter up?

Senator KING. Just a moment, until Senator Reed gets through.

Senator REED. It is a most astonishing thing to me to find any public official refusing to disclose the payment of money and to whom paid. I do not care in what case it occurs. Neither the Department of Justice nor the Government of France ought to want any advantage of anything except facts; and a prosecution is in a most pitiable condition which finds it necessary to withhold a single fact in any case that is on trial.

Senator KING. Now, Senator Reed, I think all of us agree with that general statement, but I do think that if the Attorney General is still employing individuals to investigate matters, in the public interest——

Senator REED. Which have nothing to do with this case?

Senator KING. Nothing to do with this case.

Senator REED. Then, I——

Senator KING. Let me complete my sentence.

Senator REED. Pardon me.

Senator KING (continuing). And those same persons have been engaged in investigating this case, to disclose their identity now and to put into the record the fact that they were employed by the Government in connection with certain important work, to make their names public, might frustrate the ends of justice and defeat the object of the Government in the legitimate prosecution of matters that were committed to its charge.

Senator REED. If I were to admit that to be the case, I repeat my statement that a Government that has to act in the dark, that can not put its acts on the table, that has men working for it whose identity it dares not disclose, is engaged in a very dangerous and questionable business, and the things that brought the French Government, many years ago, to a point that resulted in the revolution.

Senator KING. Well, Senator, there is no good in you and I arguing that proposition.

Senator REED. I do not want to argue it. My motion is this, that these papers be asked to be brought here, and then this Senate committee can do whatever it pleases, in consultation with the Attorney General; and I do not want to be in the position for a minute of interfering with the processes of justice, and I am willing that this committee shall take the matter and settle it.

Senator KING. For myself, there can be no objection to that; but the point I wanted to emphasize is this, so that the Attorney General would understand it, that there was no disposition upon the part of this committee, and I certainly think there is no disposition upon your part, Senator Reed, to give publicity now to matters not related to this case, and the giving publicity to which might interfere with the ends of justice in some other case.

Senator REED. Certainly not.

Senator OVERMAN. There can not possibly be any criticism of the Attorney General. The Governor of the State of New York sends these papers to him and asks his advice. He tells the Governor of New York that he has prosecutions now pending, and other cases that possibly will be brought, and these papers, or some of them, especially, of which the Government has knowledge or that have been presented to the Government, affect this litigation; that the ends of justice might or might not be defeated, and in the interest of public justice, he should decline, when it is put up to him, to re-

turn those papers to be presented. That is frequently done in all departments of the Government, where the Senate itself asks for the production of papers. There is hardly a month passes that some department does not answer, when they send down for papers, and inform the Senate that it is against the ends of public justice to have those papers presented, and the Senate never makes any objection, leaving it to the department to say whether the ends of justice require that the papers shall not be produced.

This matter was presented to the Attorney General, and he passed upon it, as he had a right to do, and I think he acted very fairly and justly and squarely about it. He said, "When this litigation is over and these indictments are settled, nobody would have any objection to any of these vouchers being presented; and it is because these cases are now pending that they ought not to be made public at this time;" and I do not think that the committee or Senator Reed would contend that they ought to be; and certainly, so far as I am concerned, as chairman, I will ask the governor to send these papers, but it is a question whether we ought to ask him to send these papers that the Attorney General thinks ought not to be made public. I think that is a matter for him to decide and not for us, because it is in his province and not ours to say what is proper and what is not.

Senator REED. The Attorney General?

Senator OVERMAN. Yes, the Attorney General.

Senator REED. I do not think he designated the particular papers. He simply spoke in a general way. I want to say this. I do not want to be considered as criticizing Mr. Gregory at all. That is farthest from my purpose in this case. But there is a great difference between sending to Mr. Gregory and asking him to send certain files in certain cases, and the Attorney General interfering in the procurement of testimony that is not in his possession.

Senator OVERMAN. Well, now, he did not say that. His letters show that he did not. He uses the words "particular papers." What particular papers?

Senator REED. Not in his possession; not his files, but papers coming here in the hands of a witness.

Senator OVERMAN. The governor of New York, as it turns out, and the State of New York, have been active in conjunction with the United States Government in helping to ferret out some of these things, and he uses the words "particular papers." "My papers," he says, "I do not want to produce at this time."

Senator KING. I move that this matter be considered in executive session.

Senator OVERMAN. That will be done.

Senator REED. That will be agreeable to me.

Senator OVERMAN. There will be no objection to asking for the papers, and I have no doubt that the governor of New York will produce them. The only question in my mind is whether we ought to segregate them ourselves or whether we ought to let the Attorney General segregate them.

Senator REED. In view of a remark made by Senator King which seemed to indicate that he thought I had in some way intended to criticize the governor of New York or the New York authorities, I want to be particularly understood. I am not criticizing them and I am not criticizing the Attorney General. I am trying to get these

papers here, and when they are here, those of them that are confidential, if any there are, will be retained in confidence by the committee, who are quite as trustworthy, of course, as other public officials.

Senator OVERMAN. This telegram shows that Gov. Whitman ordered immediately that those papers be sent here. Those telegrams I put in the record. He has done his duty and consulted the new governor. On the 31st of December, when the new governor came in, as soon as he came in the Attorney General consulted him, and Gov. Smith ordered the papers to be sent here, with the understanding that they should be submitted to the Attorney General, because there were some matters in those vouchers that he ought to see and pass upon, because they were really the papers of the Attorney General; and they brought them to the Attorney General, and he said, "I have nothing to do with the New York papers, but my own papers just at this time I do not think ought to be produced, because it is in the interest of the public not to produce them because of certain trials in cases now pending, and certain cases that will be brought into court." That is the case. I think we can settle it, Senator Reed.

Senator REED. All right; that will be taken up in executive session, which of course is entirely proper.

I want considered in the record, if the committee please, these various political articles and various interviews and statements which appeared in the newspapers, and which have been largely referred to in the testimony.

Senator OVERMAN. Perhaps one or two of them were not. Let them go in, but I hope that you will cull out some of them, if you can, because this record is getting to be very large.

Senator REED. I know it is large, but of course I am not responsible for that.

I have forgotten when you became the assistant attorney general.

Mr. BECKER. I became a deputy attorney general on the 1st of January, 1915. I have been some kind of a deputy ever since, of different sorts.

Senator REED. 1915.

Senator OVERMAN. Were you reappointed?

Mr. BECKER. Yes.

Senator REED. Generally?

Mr. BECKER. No; I had gone back to the status that I had the first six months of last year.

Senator REED. What is that?

Mr. BECKER. It comes under a special provision of the statute, as a special——

Senator REED. You have been kept in this one matter that we are investigating; is that it?

Mr. BECKER. Only about five or six different matters. It is the same status that I had six months ago.

Senator REED. Do you know Jacob Lubin?

Mr. BECKER. I do not think I ever met him. I think I know him. He is a convict who was very anxious to help the State and get commutation, which he never got by any recommendation from us.

Senator REED. You said by any recommendation of yours. If got it, did he not?

Mr. BECKER. I do not know; possibly.

Senator REED. Was he drawing pay over there in your office since you have been in it?

Mr. BECKER. In the Baff murder case he was paid something of confidential information. I have forgotten what it was. The information did not pan out.

Senator REED. When did the Baff murder case originate?

Mr. BECKER. November 24, 1914.

Senator REED. Let us see if he was on the pay roll right about that? What about that?

Mr. BECKER. At what time do you mean?

Senator REED. Was he not on the pay roll quite a little, while the Baff murder case was going on?

Mr. BECKER. If you have a copy of the records, they will show. He was never on the pay roll, though. That would be an improper expression. You see, that is what we could call a crooked case, the Baff murder case. That is by no means an isolated instance. There were half a dozen instances where we got various people of shadowy reputation to give us information, and we probably paid them for their services in every instance.

Senator REED. You stated that four of the affidavits which were taken in these matters that we are now talking about were written by Musica, but that there were four other affidavits gotten by somebody else?

Mr. BECKER. No.

Senator REED. You said eight affidavits in all.

Mr. BECKER. Eleven affidavits.

Senator REED. Eleven affidavits?

Mr. BECKER. Let me be explicit about that, because you seem to misunderstand the situation. The only written affidavits that there were were those four of four chauffeurs. The others were the information that we derived from the others, which was obtained at various times and reported to me verbally by various persons.

Senator REED. Who were those various persons who have obtained the information and have reported to you verbally? That is just what I want.

Mr. BECKER. Philip M. Musica, alias William Johnson for investigation purposes.

Senator REED. He got some besides the four, because we are talking about those outside the four?

Mr. BECKER. In order to get the information, he interviewed some of the 11 probably at least 8 or 9. I myself interviewed one, and got information about another from one of the witnesses, Mr. Alexander P. Gazzola. That is all I know about it.

Senator REED. Then Musica and yourself are the only two people who interviewed these witnesses, to your knowledge?

Mr. BECKER. The way the information as to the chauffeurs was obtained was this. These chauffeurs were under the general control of the ones stationed at the Ritz-Carlton, of a firm—I do not remember the name of the firm, and I do not think I have ever met them.

Senator REED. You mean they were working for this firm? You said "under the general control." Is that what you mean?

Mr. BECKER. I am not sure what they were. I think they called them starters. Whatever those starters were or are, that information was obtained and reported to me by Mr. Musica. He made friends with these starters, and then interviewed these various men to find out if any of them could identify these photographs, and out of a large number that were interviewed there were found the ones who appeared and could identify either the Bolo photograph or the Bernstorff photograph or both, and those men that did that service for us were paid for their services some moderate amount.

Senator REED. How much?

Mr. BECKER. I could not tell from memory.

Senator REED. Who were the men that did this service for you?

Mr. BECKER. I do not remember the names, if I ever knew. I must have drawn a check to their order, but that has completely passed out of my mind, and I never came in contact with them.

Senator REED. Were the bills that were paid for these moneys that you advanced to these people who found the men who would make the affidavits—were those bills filed in Albany with the governor or were they filed with the city of New York.

Mr. BECKER. They were filed in New York. None of these expenses were charged to the city; not one of them.

Senator REED. So that if we had the vouchers from New York we could determine who these gentlemen were, and the amounts?

Mr. BECKER. One of the names comes back now. I think it was MacDowell or MacDougal, or something like that.

Senator REED. How much did he get?

Mr. BECKER. I do not remember, at all.

Senator REED. You do not know whether he divided with anybody?

Mr. BECKER. My impression is, as to these questions of payment—I have not seen any of the vouchers since they were sent to Albany, and probably not since they were signed, and so my recollection is very vague; and I do not propose, if the vouchers are produced later, to be tripped up because I differ with the voucher on any question as to money, but I am trying to give you my best impression about it, and my best impression is that there were two such persons—two men in partnership. Whether they were employees or whether they had some privilege at the Ritz-Carlton, I do not know. At any rate, they were in touch with chauffeurs at the Ritz-Carlton.

Senator REED. You mean in partnership in getting this evidence?

Mr. BECKER. I think practically so. I think we probably drew the check to one. Whether they were in partnership I do not know.

Senator REED. In partnership to get evidence?

Mr. BECKER. To act as investigators; yes.

Senator REED. Were they on the roll as investigators—the men that Musica picked up and offered some money if they would find somebody to offer this evidence against Mr. Hearst?

Mr. BECKER. Both of them were on the roll as investigators, men that he found and promised to pay if they would go out and find the men. It is all hearsay and a rather vague recollection.

Senator REED. You say that you are anxious to have the vouchers produced?

Mr. BECKER. In the present situation; yes.

Senator REED. You have changed your mind since you testified the other day.

Mr. BECKER. I regard it as against public policy that secret service work should not remain secret service work. I believe the ability of this country to counteract the spy service in this country would have been curtailed and perhaps destroyed if it had not been able to keep these things secret. I regard this whole attempt to make secret service not secret service as against public policy.

Senator REED. Were you against making the secret service not secret when you took these witnesses, whose testimony you secretly took, and immediately turned it over to the newspapers?

Mr. BECKER. That is the result of the secret service.

Senator REED. That is the result.

Mr. BECKER. The secret service by which these things are obtained as a matter of public policy should be secret, and no Senator or anybody else should have the power of stripping the secrecy from it. If the precedent to the contrary is established it means that if we have another war and a matter is referred to a Senate committee some Senator may appear before it who has voted against the espionage bill, and whose purpose it is to cripple it, and he can destroy the whole effect of the secret service. But after the secret service has obtained its results, if there has been any disloyalty, or if there is something that the public ought to know, the publication of these results to the public is of the highest public interest, and is a big public duty.

Senator REED. Do you mean to insinuate that I voted against the espionage bill?

Mr. BECKER. Senator, I have no idea of how you voted.

Senator REED. Your remark might have been meant to indicate that. It was certainly very irrelevant if it was not meant as an insinuation, and if you have any insinuation to make I do not want you to make an insinuation, I want you to make a statement.

Mr. BECKER. I have not been interested in the record of your vote on that.

Senator REED. I thought you had not. You were too much interested in other matters.

Mr. BECKER. I was interested in attending to my own personal work as a deputy attorney general, and not in washing linen for an individual. That is an insinuation.

Senator REED. Your idea of secrecy is that as to the witnesses who gather the evidence and who receive the money, their activities should be kept secret——

Mr. BECKER. My theory is——

Senator REED (continuing). Just let me ask my question. All those things shall be kept secret, everything shall be kept secret: but that having obtained the testimony under a secret process of this kind, you have the perfect right to open up a political headquarters and give out this testimony procured in this way; you have a perfect right to come down to the committee and talk of the results of your investigation, without pretending to know the actual facts yourself, and then you think you ought to be allowed to hold back the source of your information?

Mr. BECKER. I believe that a witness should be subject to the utmost scrutiny. I believe in cross-examination. I believe in the ability to probe a witness. By becoming a witness it becomes his job

ic duty to consent to all the facts becoming known about him. When the facts with reference to Jerome as a convict were known, that was within the utmost propriety. I hold that when a gentleman makes his statement, defying the Attorney General "to disprove any word in this statement of mine, to substantiate any one of his own unwarranted implications, except his one truthful statement that my acquaintance with Bolo Pasha was purely social—the statement being also that he met Bolo Pasha at the Sherry dinner—and that is all I have ever known or seen or heard of Bolo Pasha," when that situation is created, when Attorney General Lewis is put in the position that if he does not act, or if he does not make public the evidence that has been disclosed in the course of a legitimate investigation, the defiance stands good, and that if he does act and does meet the defiance and does publish the facts, that he is going to be charged with a breach of public duty because he has made them public, I hold that is a case of being "good Lord and good devil," and that it puts a man in an unconscionable position.

Senator REED. That is a very lucid statement.

Mr. BECKER. If it is not lucid I will make it plain.

Senator REED. The right way to make the facts known is to have a political headquarters and to make them known from that political headquarters in a campaign which you are waging in the hope of electing yourself to office. That is the right way to make them known, and the right way to repel such a thing, as you have just said. Now, let us see. Is that true?

Mr. BECKER. The Attorney General's office makes no attack against whatever.

Senator REED. Had not the Attorney General's office given out the statement that Boy-Ed and von Papen had been at a dinner at Mr. Hearst's house?

Mr. BECKER. It had not. We have been all over that. I would make the same answers as before.

Senator REED. And did you not state that they got out a report made by Mr. Perley Morse?

Mr. BECKER. I testified that it was contained in a paragraph in the accountant's report of Mr. Perley Morse.

Senator REED. And that report was given to the newspapers by the Attorney General's office?

Mr. BECKER. It got out by accident.

Senator REED. Is it not a fact that no such statement was made in any statement by Mr. Perley Morse?

Mr. BECKER. My recollection is that it occurred in it.

Senator REED. This is Mr. Perley Morse sitting here.

Mr. BECKER. It is not in the report in the form in which it now stands.

Senator REED. Was it ever in the report filed by Mr. Morse?

Mr. BECKER. My recollection is that it was taken out and corrected.

Senator REED. Who took it out?

Mr. BECKER. Mr. Morse.

Senator REED. We will let it be supplied by Mr. Morse. I have not talked with him about it, but have some information. As to

your willingness to give up certain testimony, I will read from your testimony:

Senator REED. Yes; I want you to produce your vouchers and accounts showing moneys that have been expended in procuring this evidence.

Mr. BECKER. They will not be produced, and I want to say now that I not produce any of the confidential papers on our so-called secret-service department, nor will I produce or give any information in regard to the persons of the investigators who have been working for the department.

And again:

Mr. BECKER. I decline to give any information in regard to the names of investigators who have been employed from time to time.

Mr. BECKER. I made an objection that was sustained by the committee in that respect, as a matter of grace, and under no compulsion, because we had had a ruling. We have since decided to do so.

Senator REED. We will not discuss how it happened, but you have now had a change of heart, and you are willing to have these papers turned over. That is the point I am getting at.

Mr. BECKER. I will do it, so far as I am concerned, excepting that it having two effects, one to prejudice pending prosecutions of the French Government, and especially those prejudicing pending prosecution of the Federal Government.

Senator REED. Have you got any investigators now that are working on the Humbert case?

Mr. BECKER. Two.

Senator REED. Only two?

Mr. BECKER. Only two.

Senator REED. So that if the names of all of the others except those two were given, it would not interfere with the Humbert case?

Mr. BECKER. It would not, at all.

Senator REED. And you only desire to withhold the names of those two men? Have I called the names of those two men in this examination?

Mr. BECKER. I decline to state.

Senator REED. Is Musica one of them?

Mr. BECKER. I decline to state.

Senator REED. Is Lubin one of them?

Mr. BECKER. No; it is perfectly settled that he was never one of them. He was in the nature of a stool pigeon. That is what I think you meant by a "snitch."

Senator REED. That is what I meant. It is a western term, not eastern. It has a well-defined meaning among people who have had contact with criminal cases. The term "snitch" means a man who is engaged in the business of getting something by secret or contemptible, crooked processes, from somebody else, and turning it over to the State. Some people might call it a "plant." Our friend here prefers the term "stool pigeon."

Mr. BECKER. Among district attorneys or prosecuting officers it is considered all right to employ a stool pigeon, but the defense thinks it is contemptible. It depends upon the point of view.

Senator REED. It depends on the men and the circumstances.

Mr. BECKER. It is a method which has been used in the district attorney's office in the State of New York since the late days of Bertram Gardner; possibly before.

Senator REED. I have no information about New York, and I will not take my methods from that place.

I notice here several items for Mr. Lubin in 1914. Mr. Lubin seems to have been paid \$25.

Mr. BECKER. 1914?

Senator REED. Yes.

Mr. BECKER. That would be by Mr. Whitman or his district attorney.

Senator REED. 1915, I find Mr. Lubin is here for \$15.

Mr. BECKER. That would be paid by Mr. James Albert Perkins, district attorney.

Senator REED. That was at the time you were in your present office?

Mr. BECKER. Let me ask if you mean to insinuate that I had anything to do with that payment in 1915?

Senator REED. I wanted to know if Lubin ever worked here in this Baff case.

Mr. BECKER. He certainly did.

Senator REED. And he drew some pay?

Mr. BECKER. Under me?

Senator REED. Under you.

Mr. BECKER. But that would be after May 17, because I had nothing to do with the case at that time. He is a regular old-timer at that game, you know.

Senator REED. He seems to have been working in the Rosenthal case.

Mr. BECKER. That is the Becker murder case.

Senator REED. And to have drawn money in 1913 and in 1914, and then in 1915 still to have been drawing money. You did not have anything to do with that, however?

Mr. BECKER. Not with the Becker case. That is another Becker.

Senator REED. I understand.

Mr. BECKER. I guess he and Bolo Pasha are playing pinochle together.

Senator REED. I am surprised to hear a gentleman who delivered the homily you did a little bit ago make such a remark about people who are dead, however bad they are.

Mr. BECKER. All right, I stand rebuked.

Senator REED. So far as we are concerned, I think we can rely on this conclusion, that Mr. Musica is really the man that gathered nearly all of the evidence in the case against Mr. Hearst.

Mr. BECKER. About half of it.

Senator REED. You got the other half? You told us that Mr. Musica got 8 or 9 of the witnesses and you got one.

Mr. BECKER. Mr. Musica did not get any of the chauffeur witnesses.

Senator REED. He got the men that got the chauffeurs?

Mr. BECKER. He hired the men that acted as my agents to get the evidence.

Senator REED. He got the gentlemen who were to get the testimony?

Mr. BECKER. Yes.

Senator REED. I want to put into the record these copies. I simply want to put in the items, the amounts of the money that Mr. Musica drew from the city of New York.

Mr. BECKER. I could tell you how Mr. Musica operated at the Hearst apartment to get in there and get the evidence.

Senator REED. We had better bring him here and have him do it first hand. I would like to see the gentleman.

I want the record to show all these statements, I presume there were some others.

May 13—

Mr. BECKER. What year?

Senator REED (continuing). 1918, William Johnson drew from the State of New York \$789.

Mr. BECKER. From the city of New York.

Senator REED. From the city of New York.

Mr. BECKER. That was as an investigator.

Senator REED. June 6, \$30. June 6 again, I think it is \$30. October 7, \$500. May 8, 1917, \$68. November 26, \$100. Undoubtedly there were many more payments, but those are all that I have happened to find here.

Mr. BECKER. Let us see if you have the dates right, please. That does not accord with my recollection. Yes; there are more than that.

Senator REED. A great deal more than that? How much more, do you suppose?

Mr. BECKER. Well, you see, you have the rate. I think that the greater part of the payments that have been made to him in the period now covering a year and a half at the rate of \$20 a day, plus expenses, were made out of the city treasury in connection with the Baff cases. There were about 10 or 12 of the Baff cases at that time.

Senator REED. Then some more expenses had been charged to the State, had they not?

Mr. BECKER. Well, as I told you, with the exception of a short time he has been working on one case or the other. You can figure it out. Take his pay, \$20, and multiply it by, say, about 500 days, something like that. That will be the total.

Senator REED. Would he be paid for Sundays, Saturdays, and all that?

Mr. BECKER. When he worked.

Senator REED. \$10,000; and then he got his expenses in addition to that?

Mr. BECKER. Yes; that is, some of the time.

TESTIMONY OF MR. JOSEPH A. MOORE.

(The witness was sworn by the chairman.)

Senator OVERMAN. State your name and residence.

Mr. MOORE. My name is Joseph A. Moore, and my residence is 11 West Fortieth Street, New York. I am the general manager of the Hearst International Library, which concern does a general book publishing business.

I am also the general manager of the International Magazine Company, which is owned by Mr. William Randolph Hearst, and publishes the six magazines: Cosmopolitan, Hearst Magazine, Good Housekeeping, Harper's Bazar, Motor, and Motor Boating.

My object in appearing before this committee is to correct certain glaring misstatements in the testimony given before this committee on December 9, 1918, by Capt. George Benjamin Lester, of the Military Intelligence Bureau of the United States Army.

Capt. LESTER. Mr. Chairman, I will ask you to expunge from the record the statement just made by the witness concerning glaring misstatements made by Capt. George B. Lester, of the Military Intelligence Department.

Senator OVERMAN. I do not think that need go in.

Mr. MOORE. I am going to read the misstatements, Senator.

Senator OVERMAN. All right.

Senator KING. The committee can determine whether they are misstatements or not.

Mr. MOORE. Capt. Lester stated, for example, that the Deutschland library, or rather Mr. Hearst personally, undertook, in September, 1915—that is what it is in my transcript, but I think he meant 1916—to publish a book on the underseas boat *Deutschland*, written by Capt. Koenig. That is Capt. Lester's testimony.

Senator STERLING. Written by whom?

Mr. MOORE. Written by Capt. Koenig.

Senator STERLING. Capt. Koenig?

Mr. MOORE. Yes; Capt. Paul Koenig.

Senator STERLING. The captain of the submarine boat *Deutschland*?

Mr. MOORE. Yes.

As a matter of fact, Capt. Lester's own records must show that the Deutschland Library did not come into existence until January, 1917, more than three months after the date he mentions, and that when the Deutschland Library did start it had absolutely no connection with Mr. Hearst or the Hearst interests.

This is a fair sample of the inaccuracy of Capt. Lester's testimony all the way through.

Capt. LESTER. Mr. Chairman, I move that that statement be stricken out and expunged from the record, for the reason that my statements are based upon documentary evidence which I have before me. I undertook to make no statement not supported by correspondence and documents, and references in the files of the Military Intelligence Department.

Senator OVERMAN. We will hear what he has to say, and then take up the question of expunging from the record.

Mr. MOORE. Thank you, Senator.

Capt. Lester testified elaborately regarding the activities of a Viereck Library Organization, and then went on to state that "the Hearst American interests, or some one affiliated with them, conducted a library similar."

The facts are that the only library conducted by Mr. Hearst or the Hearst interests was and is the Hearst's International Library, which is in no respect similar to or honestly comparable with the Viereck library described by Capt. Lester.

The most searching investigation on the part of any fair-minded person will reveal in the activities of the Hearst's International Library from its beginning nothing but the ordinary activities of a legitimate trade book publishing concern which was in existence long before the war began and which, we expect, will be doing exactly the same sort of business long after the war has stopped.

The activities of the Hearst's International Library which can, in any way, be construed as having any bearing whatever on the war are, given in strict chronological order, as follows:

First. The publication of the celebrated "King Albert's Book." in November, 1914. This was a tribute to the Belgian King and the Belgian people by representative men and women throughout the world. The idea originated among the literary men of Great Britain and was put up to Mr. Hearst by Sir Hall Caine, now a knight of the British Empire. The Hearst's International Library agreed to donate all profits of the publishing of this book to the Belgian relief fund of Great Britain, and as a result of our publishing the book in this country \$8,200 was paid to that fund.

Second. In May, 1915, the Hearst's International Library entered into an agreement with Mr. Hilaire Belloc, the eminent English historian and essayist, to publish his "History of the Great War." Of this book and its author the Philadelphia Public Ledger said on the morning of July 17, 1915:

Mr. Belloc needs no introduction to the American readers. He was expected here last winter but canceled his engagements in order to place his literary talents at the disposal of the British Government. Mr. Belloc has produced a masterly work, every page of which is full of the most vital interest.

We have up to the present published two volumes of this history, and the books are still enjoying a large sale.

Third. In November, 1916, the Hearst's International Library took over the manuscript secured by the New York American of Capt. Paul Koenig's story of "The Voyage of the *Deutschland*." Although the value of this book had been to some extent impaired by its publication complete, as testified before you, by both the New York World and the Hearst newspapers, it was decided that whatever might be the loss, Mr. Hearst's offer to publish the book would be carried out in good faith.

Merely to remind this committee of the general attitude of the American people at that time towards this *Deutschland* enterprise. I would like to submit this page from the New York Times of July 11, 1916.

You will notice here a three-column interview with Capt. Paul Koenig entitled: "Subsea Perils Bring Joy to Skipper; Wine Flow. Music Blares Under Waves. Doughty Capt. Koenig and His Crew Sipped Champagne and Heard 'Peer Gynt' While Foes' Warcraft Churned Water Above Them in English Channel."

Also, you will find a photograph of Capt. Koenig, a photograph of the *Deutschland*, a photograph of the crew and the names of the men therein. In fact, you will find nearly half the front page and the entire second page of this paper treating the advent of the *Deutschland* in a tone of the most jovial hospitality.

This is not to be taken in any sense as reflecting on the patriotism of the New York Times, but merely as indicative of the general attitude of newspapers throughout the country. It is not surprising, therefore, that upon announcement of the proposed publication of *The Voyage of the Deutschland*, advance orders were universal given by all the leading booksellers and publishing distributors. A very fair sale followed, for, as the New York Times said in a current editorial:

One doesn't have to be a German or a sympathizer with Germany's cause to see in the crossing of the Atlantic by the *Deutschland* an achievement of small magnitude, or to admire the courage and hardihood of the officers and men who brought so far a craft so desperately uncomfortable as is a submarine.

Financially, however, the book was a failure. The 25,000 or so copies sold before war was declared by the United States and further publication stopped were not sufficient to pay the high initial cost, and the loss on the enterprise was about \$760. With that loss the incident was closed until its brilliant resurrection in these later years in the hands of Capt. Lester.

Fourth. In December, 1917, we arranged with Harry Lauder, whose son, captain in a Highland regiment, was shot by the Germans, to publish a book. Mr. Lauder at this time, as will be remembered, was touring the United States and Canada from coast to coast. He visited 88 different cities, securing donations for the aid for maimed Scottish soldiers, addressing countless huge meetings, and doing more, perhaps, than any other one man has done to popularize the British cause and combat German propaganda.

It was on this trip that his book, *A Minstrel in France*, was written. It tells of his recent visit to the British trenches and the allied battle fields and hospitals on the western front.

So thoroughly did this book represent the feelings of the famous Scotch comedian that he is reported in the *Brooklyn Citizen* as saying to its reporters:

My impressions? Yes; I was feeling the pulse of the war over there. You will find it all in my book, *A Minstrel in France*. Be sure to read it. It's all for the cause.

To back up Mr. Lauder and give his book the greatest possible distribution, a vigorous advertising campaign was started in the Hearst magazines and newspapers.

As a result of Mr. Lauder's personal popularity and of our work on his behalf, this book remains to-day—a year afterwards—the best selling nonfiction book in America.

Furthermore, as indicated in the January issue of the *Bookman*, the reports of 200 librarians throughout the country show that *A Minstrel in France*—a vigorous book of out-and-out British propaganda, published by Hearst's International Library—is at this moment the one nonfiction work by far the most called for by readers in their libraries.

At the same time that *A Minstrel in France* appeared in book form it was published serially in *Hearst's Magazine*, and so presented to another half million readers.

Naturally enough, Capt. Lester and some others testifying before this committee have made no mention whatever of the extensive patriotic activities of the various Hearst organizations.

Senator OVERMAN. Mr. Moore, just make your statement without referring to any witness. Let the statement speak for itself.

Mr. MOORE. All right.

Those who read the Hearst newspapers and magazines are familiar with those, and that, I take it, is why, in spite of the bitter and carefully organized attack on Mr. Hearst, the circulation of his publications continues steadily to increase.

But since it is highly probable that a great many who will read the reports of this committee are not familiar with Mr. Hearst's magazines, I am, on behalf of the International Magazine Co., going to ask the indulgence of the committee for a few moments to point out a few of the unquestionably patriotic achievements of these six magazines.

First, if I may suggest it, let us consider *Good Housekeeping*. The most popular novel to-day in New York and New England, and the second in demand throughout the whole United States, is, according to the "Bookman," "The Rough Road," by William J. L., a noted English author.

Of this story the New York Herald said:

If it was the author's purpose to give his readers a new respect for the spirit of unselfish patriotism that the war has developed in every grade of society in Great Britain, he has succeeded admirably.

Prior to its publication as a book, this vastly popular book of British patriotism ran for 12 months as a serial in *Good Housekeeping*, one of Mr. Hearst's publications.

Or, take "The Glory of the Trenches," by Coningsby Dawson, a young Canadian lieutenant with the British Army, three times home wounded and three times returned to the front. The Boston Post said of his book:

In "The Glory of the Trenches," Coningsby Dawson pictures the feelings of a sensitive mind amid the horrors of war, the sense of joy and elation that thrills those who can serve at the front in the biggest cause that the world has known.

You will perhaps be interested to note that this splendid brief in behalf of "the biggest cause the world has ever known," published last spring in one of Mr. Hearst's magazines, still remains, according to the "Bookman," one of the six books other than fiction most in demand in your public libraries in the Southern and Western States.

But *Good Housekeeping's* interest in the war was far more practical than merely publicity articles and fiction. Beginning with the May, 1917, issue, as soon as war was declared, the whole magazine began to devote all its departments entirely to the service. So successful was it that during the year 1918, just past, 50 per cent of its entire contents—505 pages of the entire 1,015 editorial pages—was planned and published deliberately as a part of this magazine's war program.

For example: One of *Good Housekeeping's* largest departments is known as "Good Housekeeping Institute." Laboratories are maintained here for the scientific study of all problems confronting the housewife. And in each issue of *Good Housekeeping* since the war began will be found from 10 to 15 pages devoted to this department.

No stronger emphasis, perhaps, can be given to the value of the war service rendered by *Good Housekeeping* than a reference to the monthly bulletins of the United States Food Administration, a copy of which is submitted. A careful checking of the first 10 issues of this bulletin shows that in articles from 49 different magazines cited by the Food Administration as especially helpful in meeting war conditions *Good Housekeeping* led the entire list with 71 mentioned articles, its nearest competitor having but 42. The following shows the record of the first five magazines in the order of the number of their articles thought worthy of listing by the Food Administration: *Good Housekeeping*, 71; *Ladies' Home Journal*, 44; *Woman's Home Companion*, 39; *Pictorial Review*, 27; *Delineator*, 26.

Although *Good Housekeeping* is essentially a woman's magazine it has had in 35 of the 53 issues published since the world war began in 1914 signed editorials on matters pertaining to the war. And since

he United States itself entered the war, 85 per cent of the editor's signed page in all of the issues has been devoted exclusively to war problems. As a sample of these, I would like to take your time to read just one—Mr. Bigelow's reply to a pro-German subscriber who wrote that the magazine had lost three subscribers by its condemnation of the *Lusitania* outrage:

"Editorial from Good Housekeeping for August, 1915; censored by E. A. M." On page 78 of the July issue, we ran a little editorial on "saving the kiddies." In it we commented on an event in world history which was then more than a month past, so that it cannot be said that we were either excited or misinformed when we placed upon the German name the heart-breaking shame of the sinking of the men and women and children on board. The event is, as we write, two months past, and our opinion of it is still in accord with that held by a great majority of the inhabitants of the civilized world. But we are not to enjoy it without loss. Recently there came back to us a copy of the editorial, with the words at the head of this column scribbled across it. With it was this letter:

THURSDAY, July 1, 1915.

EDITOR GOOD HOUSEKEEPING:

You have lost three subscribers in publishing this article. How long is it going to take Americans to see that England is laughing at us? Yours very truly,

E. A. MAYER.

That was all. There was no address—just a torpedo out of the dark, which showed no ingenuity on the part of the sender. Of course, there was no intention to sink us outright; it was simply a warning that if we got into the habit of not "thinking as the Germans do" and saying things out loud we must take the consequences—in this case three subscriptions lost and the charge that we, along with the other Americans, are stupid because we can not see that England's face of seeming sorrow bears in reality a grin.

Why should England laugh? You mothers of Americans answer that and exercise your God-given right of thinking for yourselves. Some of you who read this remember fifty-odd years ago when we were putting our young men into hastily dug graves. Was either side of our country laughing at anything then? The dispatches of the week say that England's just-buried dead at the Gallipolies alone number nearly eight thousand. And yet, for some reason, England is laughing at us! Evidently one must be able to "think as the Germans do" to have the faculty of seeing things like that.

Where do we stand:

Our reference to the sinking of the "Lusitania" and our refusal to submit to censorship must not, however, be taken as evidence that we are anti-German and pro-Allies. We are not anti-German; we are anti-humanity and pro-keeping the faith, and that alone has guided and will guide the placing of our sympathies. We envy Germany her former supremacy in nearly every expression of life; we admire the present very remarkable evidence of her world-leadership in manufactures and in organization; but we cannot excuse her for the empty homes and the crowded graves that have been the result of the tempest she set loose. When we are asked to further or even condone the kind of leadership that would break the heart of the world and that stops at no abomination—we cannot do it.

WILLIAM FREDERICK BIGELOW, *Editor*.

Hearst's: The greatest single contribution toward the war made by Hearst's Magazine was, perhaps, the publishing of Harry Lauder's "A Minstrel in France," already spoken of. This book even now is the one book, outside of fiction, most in demand in public libraries throughout the United States.

Although Hearst's contents is so largely fiction, this magazine has had since January, 1916, a steady stream of notable articles bearing on the war and its collateral problems and activities.

Some 95 pages of these articles are submitted herewith.

Among the titles you will find "The New Navy," a description of the American Navy with a foreword by Secretary Daniels; "The American Army of Today," with the endorsement of Secretary Baker; "Our Job as a Nation," with a signed declaration of war by Henry Ford; "The American Red Cross," by Stockton Axson; "The World's Greatest Business—U. S. Ordnance"; "Mussing Up the Prussian Guard"; and many others of the same calibre and interest.

As to writers, you will find among these pages articles signed by Count Tolstoi, Rabindranath Tagore, Charles S. Whitman, John Ashmead-Bartlett, Evangeline Booth, George Creel, B. C. Forbes, Charles Edward Russell and the Countess of Warwick.

And speaking of authors, it may interest you to note in connection with the violent emphasis being laid on Mr. Hearst's alleged Anglophobia, that since January, 1915, no fewer than 75 different articles and stories by distinguished British authors have been printed in Hearst's Magazine alone. The list for this one magazine submitted herewith contains 19 eminent British writers. Neither in number nor in distinction, I believe, can this list be matched by any magazine in America.

Cosmopolitan: Cosmopolitan has the largest circulation of any general monthly magazine. It prints and circulates more than a million copies monthly.

Senator OVERMAN. You say that has more subscriptions than any other magazine?

Mr. MOORE. It has more sales than any monthly magazine. There is one weekly magazine that has a larger sale that sells for 5 cents. The Cosmopolitan sells for 25 cents.

Senator OVERMAN. Just as a matter of curiosity, what is the weekly magazine?

Mr. MOORE. The Saturday Evening Post, which sells for 5 cents.

Senator OVERMAN. Yes.

Mr. MOORE. The Cosmopolitan sells for 25 cents, and is only published once a month.

Since the beginning of the war, Cosmopolitan has done its utmost to interpret to this great group of readers the part they should take toward the winning of the war. As Cosmopolitan is so largely a fiction publication, it is, of course, obvious that most of the inspirational matter would take the form of fiction. Stories, therefore, were planned and written with plots definitely laid to point a moral.

In the portfolios which I have here are included most of the stories to which I refer, together with a great many editorials, poems, and special articles. In it you will find Herbert Kaufman, Fannie Hurst, George Ade, Gouverneur Morris, Rex Beach, Edith Wharton, Maurice Maeterlinck, H. G. Wells, John Galsworthy, Arnold Bennett, and many others, each writing and publishing their own best contributions toward the winning of the war.

So successfully was this work done that we have received a great number of requests from individuals and organizations asking permission, which was always freely granted—to reprint matter appearing in Cosmopolitan, so that the inspiration therein might be more widely distributed.

Many of these letters are included in the portfolios I have submitted to me. They indicate the widespread interest that this inspirational editorial matter aroused throughout the country.

At the urgent request of the Red Cross we commissioned George Ade to write one of his famous fables, dealing with Red Cross activities, in the same way he had earlier treated those of the Y. M. C. A. Two million copies of this fable, reprinted in a booklet, were distributed by the American Red Cross.

Other committees and associations to manifest particular interest in material published in Cosmopolitan were:

Y. M. C. A.

Knights of Columbus.

American Red Cross.

Local liberty loan associations.

The national liberty loan committee.

The Food Administration.

Bureau of public information.

Joan of Arc statue committee.

American Library War Association.

Motor: It is possible that some other technical magazine did more along the lines of popularizing the war and backing it up in practical ways than did Motor.

But to have done this, that magazine would have had to discontinue practically all other activity, for during the year and a half of fighting Motor itself published no less than 77 different articles dealing in some way with the war. Many of these articles were sent over by correspondents abroad, such as Lieut. Leon See of the French Army, and Charles G. Harper, an English authority on motor topics.

In special appeals to automobile owners, Motor published no less than five full-page Liberty loan editorials, and backed up liberally every war drive. For example, in the September issue of 1918, you will find no less than six pages devoted to the work of the Red Cross, Y. M. C. A., Knights of Columbus, and the Salvation Army.

In addition to this support in its own pages, Motor's technical staff has been able to be of some slight practical assistance to the Government. Mr. H. A. Tarantous, one of its editors, wrote and edited seven instruction books for the war-time work of the United States Ordnance Department.

Harper's Bazar: Harper's Bazar has a circulation of 100,000 among women of wealth and social position. From the very beginning of the war, therefore, the editors of the Bazar have felt that the magazine could be a potent factor in arousing women of the wealthier classes to a sense of realization of what the war meant and the part they should play in it.

Mr. Hearst's instructions to the editors of Harper's Bazar have been, from the first, very definite that every important war work, every Government activity, and every worthy charitable project, in which women could be interested, should be featured in the Bazar's editorial pages. In the planning of these articles, Harper's Bazar has also had the direct cooperation of Mrs. Hearst who, as chairman of the Mayor's Committee of Women on National Defense here in New York City, has played a most active part in all war work.

The articles on war service published by Harper's Bazar have been written by the most prominent men and women in America. They are submitted herewith. Among the contributors have been: Mrs. William Astor Chanler, Mrs. Belmont Tiffany, Duchesse

d'Uzes, Dr. Henry H. MacCracken, Mrs. Frank Gray Griswold, Richard Le Gallienne, Miss Martha McCook, Mrs. James W. Ward, Mrs. Lydig Hoyt, Dr. John H. Finley, Mrs. Reginald Ward, Kauffman, Dr. Rosalie S. Morton, Mabel T. Boardman, Mrs. Richard Aldrich.

Mrs. Humphrey wrote for us in 1918 a story of women's war activities in England. This story ran through 10 issues of Harper's Bazar. As Mrs. Ward had been doing propaganda work for the English Government, the Bazar is proud to have been selected for her to carry her message on women's war work to America. L. Phillips Oppenheim, another writer recognized as doing vigorous propaganda work for the British Government, has also been represented by several short stories and a novel in Harper's Bazar.

The eminent French artists, Drian, Soulie, and Erte, have been appearing exclusively in Harper's Bazar in America while André Castaigne and Matania, the celebrated English war artist, have been illustrating for us.

As might be expected in a woman's society magazine, at least 50 per cent of Harper's Bazar is devoted to women's clothes. At least three quarters of this space has been devoted in each issue to illustrations and descriptions of the work of the famous French dress-makers. No magazine in America has published more material each issue featuring these French houses than has Harper's Bazar. We have done everything possible to uphold their prestige and reputation in war time, and we believe, that this cooperation has been greatly appreciated by the French people.

In addition to the special articles on war services—from one to three of which have appeared in every issue of the Bazar—the Bazar has also appeared in each issue an editorial on some phase of war activity or conservation which had been requested by either the United States Government or one of the important war organizations.

These monthly editorials treated of such subjects as the Liberty Loan, the Red Cross drive, the conservation of coal, the waste of paper, the United War Work drive, the saving of coal, the movement for early Christmas shopping, food conservation, and the Home Service of the Red Cross.

Many of these editorials, submitted herewith, were reprinted and distributed by war organizations. Several of our illustrations used for our war articles were deemed so striking by the Red Cross and Y. M. C. A. that they asked our permission to reproduce them for publicity purposes. This, of course, we were very glad to give.

In addition to special articles and monthly editorials on war work, Harper's Bazar has run a monthly department called "Where you can fit into the war" to give advice to women on war service. The inquiries from this department ran from 300 to 600 a month, and we were able to supply women to the organizations where their services were most needed. Fuller details of the record of "Where you can fit into the war" are herewith submitted. Harper's Bazar, in addition to running 68 pages of special articles, 20 pages of editorials, and 10 pages of special departments, has endeavored to help the cause of our allies even in its fiction and art features.

Harper's Bazar has received letters of thanks from the most important war-work organizations in America for these articles. The

letters of thanks and appreciation—some of which are submitted herewith—have come from the Liberty Loan Committee, the American Red Cross, the Council of National Defense, Young Men's Christian Association, Young Women's Christian Association, American Women's Hospitals, the Committee on Public Information, the National War Work Council.

Motor Boating: A small publication with so limited a field as Motor Boating could not be expected to do very much toward winning the war. But I believe what it did manage to do will surprise you.

In the first place, since November, 1916, each issue has contained one or more editorial articles dealing with some phase of the war. In all, there have been 72 of these articles. They are submitted herewith for your examination. You will find them all emphatically pro-American and proadministration.

Among them are a number of educational articles dealing with the preparation of yachtsmen and motor-boat men for the Navy. Motor Boating has been a strong advocate of the Navy Department's policy of using small boats for national defense purposes, and strongly in favor of the Government's plans for building submarine chasers and other fighting ships of this nature. We have received the commendation of several high Navy Department executives for the part we have taken in the naval program and for the assistance we have been to the department.

Besides preparing the many articles published in the magazine itself, the editors of Motor Boating have been instrumental in establishing free navigation schools in New York City, Brooklyn, Bronx, New Haven, Boston, Staten Island, Washington, and Detroit. More than 5,000 young men have been graduated from these schools in courses prepared by the editors of Motor Boating in such subjects as coastwise navigation, piloting, deck seamanship, dead reckoning, and astronomical navigation. At least 1,000 of the graduates from these schools went directly into the Navy, many of them receiving commissions on account of the instruction which they obtained in the navigation schools. The Navy Department itself took advantage of these schools and sent many enlisted men to receive instruction in the various nautical subjects which were taught.

Furthermore, Motor Boating has published several books allied to naval and national defense subjects, the principal one of which was published in April, 1917, under the title of "Practical Motor Boat Handling, Seamanship, and Piloting." This book is now in its fourth edition, and over a thousand copies have already been purchased by the Navy Department direct.

Besides publishing articles and furnishing information editorially, the offices of Motor Boating have during the period of the war been virtually an information bureau, where anyone who so desired could get information and literature regarding enlistment and enrollment in any branch of the naval service. And so Motor Boating credits itself with having been instrumental directly and indirectly in putting a thousand or more young men in the Navy and Naval Reserve Force.

Capt. LESTER. I would like to ask Mr. Moore one or two questions.

Senator KING. Will it take long?

Capt. LESTER. About 10 minutes. Mr. Moore, have you ever seen the correspondence that passed between Mr. Hearst and Mr. Bayard Hale?

Mr. MOORE. I have not.

Capt. LESTER. In reference to the Paul Koenig book?

Mr. MOORE. No.

Capt. LESTER. Then how can you characterize the statement covering the arrangement that was made as inaccurate or a glaring misstatement?

Mr. MOORE. Simply from what you said, that the publication of the book was by the Deutschland Library, and that Mr. Hearst owned the Deutschland Library.

Capt. LESTER. Does he own the Deutschland Library, or does the International Co. own the Deutschland Library?

Mr. MOORE. No, sir; never had the slightest interest in it.

Capt. LESTER. Who is Mr. Perkins?

Mr. MOORE. He is a man that was discharged from the Hearst International Library long before, and then he went out and formed the Deutschland Library.

Capt. LESTER. I want to read to you a cablegram sent from Bayard Hale, addressed to Randolph Hearst, on September 15, 1916.

SEPTEMBER 15, 1916.

RANDOLPH HEARST, *New York:*

Have secured you American rights Captain Koenig's book provided following arrangements satisfactory. Manuscript approximately thirty thousand words delivered me September twenty. We pay cost translation and agree cable approximately ten thousand words for serial use during month or so required for full text reach America by submarine. You have American rights both English German texts two sets mats latter being forwarded. Profits sale this book go to pension fund Ocean Reiderel. They demand large lump sum but finally agreed basis royalty for which they await your offer hoping it liberal as possible. They expect first high class edition book sell for about dollar quarter followed by cheaper popular edition. Book is signed by Koenig is in first person and first five chapters read well. Can send you installment within a week and first publication possibly in Sunday paper will synchronize with event adding interest to story. Tis stipulated that special courtesies be extended Staatszeitung and Fatherland and expectation is your royalty offer benefit pension fund liberal.

BAYARD HALE

To that Mr. Hearst replied, or the Hearst American, on the 16th day of September, 1916, as follows:

NEW YORK, *September 16, 1916.*

BAYARD HALE,

American Correspondent, Berlin.

Desire to donate entire profits of all Koenig book to pension fund. Would like to publish all or large part of book in Sunday American. Believe Sunday publications will help rather than hurt sale of book.

HEARST-AMERICAN.

I will also read the cablegram from Bayard Hale to William Randolph Hearst, September 22, 1916, which is as follows:

SEPTEMBER 22, 1916.

WILLIAM RANDOLPH HEARST,
New York.

Berlin twenty one your generous offer donate profits Deutschland book deeply appreciated. No objection publication almost entire Sunday American. Tis hoped, however, publication begin soon. How much shall I cable? Hoped first edition be handsome cloth volume.

BAYARD HALE

Did you ever hear of Paul Hilken, of Baltimore?

Mr. MOORE. I have heard of him.

Capt. LESTER. Do you know his connection with the *Deutschland*, the undersea boat that came over?

Mr. MOORE. Yes.

Capt. LESTER. What was it?

Mr. MOORE. He was an officer of the company that owned the *Deutschland* boat, as I understand it. The *Deutschland* boat was a commercial proposition, as I understand it.

Capt. LESTER. Do you remember whether Mr. Hearst or your magazine section ever published the Paul Koenig book?

Mr. MOORE. I do not quite understand.

Capt. LESTER. Did you ever publish the Koenig book?

Mr. MOORE. Yes; I testified to that here.

Capt. LESTER. Who published it?

Mr. MOORE. The Hearst International Library has the book.

Capt. LESTER. Do you know that Paul Hilken was the treasurer of the pension fund?

Mr. MOORE. I did not know that until he made a request of me to furnish him with the profits from the sale of the book.

Capt. LESTER. There were no profits, were there?

Mr. MOORE. There were no profits. There were none furnished.

Capt. LESTER. He wrote several letters to Mr. Hearst?

Mr. MOORE. Not to Mr. Hearst.

Capt. LESTER. I mean to that organization. When I speak of Hearst I mean the organization.

Mr. MOORE. That is perfectly proper.

Capt. LESTER. Now, I wish to read a letter, for your information and for the record, from the Deutschland Library Co. to Mr. Paul L. Hilken, March 1, 1917.

Senator KING. Kindly give just a mere excerpt of it.

Capt. LESTER. Let me complete my question. I understood this witness to testify that the Deutschland Publishing Co. was not connected with Mr. Hearst, or, rather, he was not connected with it in any way. Our information regarding it is that the Deutschland Publishing Co. was one of the subsidiary distributing book companies owned by the International.

Mr. MOORE. I would be glad to have you produce the slightest evidence of that. That is just the very point where I claim that you—

Capt. LESTER. That is the very point I would like to have you testify about.

Senator KING. The witness denies that.

Mr. MOORE. I deny that emphatically.

Capt. LESTER. I am very glad to have you come here and deny it. If so, you deny all these records I have. I am going to ask the committee to permit me in that connection to convince you that I was making no glaring misstatement. This letter is dated March 1, 1917, and reads as follows:

MR. PAUL G. L. HILKEN,
American Manager of *Deutschozean Reideret*,
Hansa Hans, Baltimore, Md.

DEAR MR. HILKEN: I returned few days ago from a very successful five weeks' business trip in the Middle West.

This is signed by Deutschland Library Co.; that is the signature of the letter.

Mr. MOORE. What bearing can that have?

Capt. LESTER. Listen to the letter and perhaps you will see. [Reading:]

Mr. PAUL G. L. HILKEN,

American Manager of Deutsch Ozean Reiderei.

Hansa Hans, Baltimore, Maryland.

DEAR MR. HILKEN: I returned a few days ago from a very successful 2 weeks' business trip in the Middle West, during which I covered dealers in newspapers in about twenty-five cities. You will be interested to learn that we now have open account connections with over five hundred outlets, book sellers, newspapers and agents. The Fatherland gave us their list of accounts which numbered only one hundred and thirty after two years, so I feel we have accomplished quite remarkable results in two months.

Your cordial letter of recent date was awaiting me and I thank you for your good wishes. It seems an age since I last saw you in Baltimore early in December. What a deplorable condition has come about since then as a result of previous lack of wisdom and judgment at Washington.

Well, I am going right ahead with my publishing plans. Enclosed is a copy of the second edition of my catalogue which has been well received. I have important new books in preparation, and while I have spent a lot of my hard earned money, I am confident of ultimate success.

I enjoyed a visit from Mr. Jerguson yesterday. In reply to some inquiries of his, I told him that I could not properly discuss the Koenig book matter further than to say that I am sure of Mr. Hearst's sincerity and believe the Hearst organization will deal fairly with you in settling whatever is due the pension fund of your company.

This brings me to a subject which I have long wanted to talk over with you viz the cheap edition of Koenig's book which we have all understood should be made at the proper time which I think is at hand.

Now, it seems obvious to me that this company named in honor of the Deutschland, and specializing in similar books with unusual success can more successfully exploit the 50 cent or 60 cent paper covered edition than any other company for the benefit of the pension fund. Indeed I know we can do this, and I do not believe the Hearst people will object, if you approve of our taking over the publication. I know Mr. Hearst's idea was only to make profit for the pension fund, and if we can realize more money for the fund on the cheaper edition, I think the Hearst management will not stand in the way.

I am going to take up the matter with them soon, and in the meantime I wish you would write me if it would be agreeable to you to deal with me on the cheap edition after you have made your settlement with Hearst. I should also want to continue the \$1.25 editions, as there will be a continuous sale for the cloth bound editions for years.

Won't you please think the matter over and let me hear from you?

Very truly yours,

*

DEUTSCHLAND LIBRARY COMPANY.

Mr. MOORE. What possible connection can that have?

Senator KING. That would still indicate that the Deutschland Library Co. was separate from the Hearst Co.

Mr. MOORE. Absolutely.

Capt. LESTER. Did the Deutschland Co. settle with Paul Koenig for any of the pension funds?

Mr. MOORE. I can not speak for the Deutschland Co. I do not know the first living thing about it. I did not know about it until you stated that, and when I started to look around and find out what it was I discovered what it was—that it was a company started by Mr. James L. Perkins with Mr. Hilken and a man in Boston, whose name escapes me for the moment. I think he has since been interned. I assume that Capt. Lester had the same facilities for investigation.

and could have learned it. He could have learned by inquiring at our office that we discharged Mr. Perkins, and in order to get a contract canceled we paid him one or two thousand dollars so we could discharge him before the expiration of the contract.

Capt. LESTER. When was Perkins discharged from your employ?

Mr. MOORE. I will have to get my data.

Capt. LESTER. About when?

Mr. MOORE. In the fall of the year before; it must have been in the fall of 1915, I should say.

Capt. LESTER. 1915 or 1916?

Mr. MOORE. It may be 1916; 1916 is right.

Capt. LESTER. Is it not a fact, Mr. Moore, that Mr. Perkins inaugurated the Deutschland Co. with money supplied to him by the Hearst organization and undertook not only the publication of the first but the second edition of the Paul Koenig book?

Mr. MOORE. We paid him, I think—I have that data upstairs in a portfolio. I did not think it was important.

Capt. LESTER. It is not a matter of the slightest importance, except in this particular: You have gone out of your way to introduce my name in your statement read before this committee, and have stated that I have made glaring misstatements in reference to the Deutschland Co.

Mr. MOORE. Yes; I have done that.

Capt. LESTER. You have done that willfully and intentionally?

Mr. MOORE. Intentionally; absolutely.

Capt. LESTER. That is all I have to say.

Senator KING. You repeat now——

Mr. MOORE. The Deutschland Library had not the slightest connection with the Hearst organization.

Senator KING. Did Mr. Hearst or his company furnish the money for the establishment of the Deutschland Co.?

Mr. MOORE. Perkins stated that he had none of his savings from his work with Hearst. That is the assumption, because he did not have any other money. He went broke and committed suicide.

Senator KING. Did you furnish the money?

Mr. MOORE. Not for that purpose. My file on the discharge of Perkins will show that he was discharged and his contract brought up so we could discharge him before his contract expired. We were still publishing the book when we discharged Perkins.

Senator STERLING. What time had he to serve for you when he was discharged?

Mr. MOORE. He must have had quite a little time, or we would not have paid him that thousand dollars, I think it was.

Senator KING. What position did he occupy?

Mr. MOORE. He was the general manager of the Hearst International Library.

Senator KING. What is the Hearst International Library?

Mr. MOORE. It is a general book concern. It publishes books. We publish stories in the magazines. Once in a while a story comes along that we think would make a good book, and we turn it over to the Hearst International Library to sell. We simply sell to the trade. This whole proposition of connecting that Deutschland book with the Hearst organization, which has been exploited, is purely visionary. When you look back at the situation you get an entirely different idea, I think.

Senator STERLING. What was the pension fund?

Mr. MOORE. I think that ought to be cleared up. As I understand it, it was a pension fund of this commercial company secured from the sale of the book.

Maj. HUMES. It was a pension fund for the widows and orphans of persons in the German submarine service?

Mr. MOORE. No; I understand that is entirely wrong. They might have been in that service, but not exclusively so.

Maj. HUMES. The records show that was the pension fund.

Mr. MOORE. The pension fund only applied to sailors on those submarines?

Maj. HUMES. Yes.

Mr. MOORE. Maybe I am mistaken.

Maj. HUMES. Is it a fact that the publication of Koenig's book was subsequently turned over to the Deutschland Co. through some arrangement?

Mr. MOORE. No, sir.

Maj. HUMES. Did they publish the final edition of that book?

Mr. MOORE. My records will show I refused even to reply to this man in Baltimore—Hilken, or whatever his name is—and my instructions were to absolutely suppress the publication of the book after we got into the war.

Maj. HUMES. You do not know whether the book was afterwards published by the Deutschland Publishing Co. or not?

Mr. MOORE. I do not. I did not know this Deutschland Co. existed really until I saw the statement had been made that we owned it or controlled it, and then I went and looked it up.

Maj. HUMES. The only issue you raise is as to the fact that Hearst controlled the Deutschland Co. There is no issue raised but what the book was controlled by him, or you are not sure whether it was subsequently published by the Deutschland Co. or not?

Mr. MOORE. No. I have no knowledge of that fact, at all.

Senator STERLING. You have control, you say, of these various magazines?

Mr. MOORE. I have, Senator; yes.

Senator STERLING. And you are the general manager of the magazines?

Mr. MOORE. The general manager of the magazines; yes.

Senator STERLING. You have nothing to do with the newspaper publications at all?

Mr. MOORE. Nothing whatever.

Senator STERLING. Or anything to say concerning the policies of the Hearst newspapers?

Mr. MOORE. Nothing whatever; just the policies of the magazines.

Senator STERLING. You do control the policies of the magazines?

Mr. MOORE. No, sir. Mr. Hearst controls the policies of his magazines to the most minute detail. I simply act for Mr. Hearst.

Senator STERLING. And as his general manager?

Mr. MOORE. And as his general manager.

Senator KING. Has anything appeared in any of these magazines since we have been at war, favorable to Germany?

Mr. MOORE. Not a thing.

Senator KING. Or that could be construed as favorable to Germany?

Mr. MOORE. Not a single line. You see, a magazine is different from a newspaper. It is published carefully. The work is done much more thoroughly, and there is time to give everything proper consideration. It is not like printing the news of the day, in which you have to rush the printing.

Capt. LESTER. I would like to have permission to put in the record copies of some of this correspondence and other records as to which testified in making the statement about the Deutschland Co.

Senator KING. You mean in justification of your statement?

Capt. LESTER. Yes, sir.

Senator KING. I feel now that unless you have something to connect it with Mr. Hearst you should not be permitted to make such introduction, without proof of the fact that it was owned and controlled by Mr. Hearst.

Capt. LESTER. There is no question on the issue of my testimony except as our records disclose the fact, and they are here.

Senator KING. The committee will pass upon that when presented. We will now take a recess until half past 2.

(Thereupon, at 1 o'clock p. m., the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met at 2.30 o'clock p. m., pursuant to the taking of the recess.

Senator OVERMAN. The committee will come to order.

Capt. Lester, you have something to say in regard to some letters.

TESTIMONY OF CAPT. GEORGE B. LESTER—Resumed.

Capt. LESTER. I desire to put in the record several letters. The purpose in offering these two letters in addition to what has already gone in is to show that Mr. Moore's statement that my statement based upon the records of the Military Intelligence Division is incorrect, is not a fact.

I offer in evidence a letter of June 16, 1917, from Paul G. L. Hilken, American manager of the German Ocean Navigation Co., to Hearst's International Library Co., and a letter of July 6, 1917, in reply hereto, which read as follows:

JUNE 16, 1917.

HEARST'S INTERNATIONAL LIBRARY COMPANY,
119 West 40th Street, New York, N. Y.

Attention of Mr. McCann.

GENTLEMEN: A few months ago the writer called at your office and discussed with Mr. McCann the advisability of publishing a cheaper edition of Captain Koenig's "Deutschland" book. At the time both he and the writer deemed best to take no action in the matter.

Since then conditions have changed and, owing to the state of war existing between our country and Germany, you, no doubt, will issue no other editions

Captain Koenig's book, and I presume, have discontinued the sale of copies of editions already published, under the arrangement made between your European representative and the Bremen office of the German Ocean Navigation Company, under which you agreed to donate all publishing profits to the Pension Fund of the Deutsche Ozean Rhederel.

If this is so, will you kindly make a settlement for the amount due the Fund from your goodselves, and transfer to me as American Manager for the German

Ocean Navigation Company, your copy-rights and publishing-rights. Will also transfer to me the plates, matrixes, etc., which, I presume you have charged off and deducted from the profits, and which are of no further use to you.

I feel sure that this course will meet the approval of my principals and hope that Mr. Hearst, too will acquiesce. If it is not possible to make a complete settlement, I would suggest that you transfer to me the copy rights, plates, etc. and that you make a payment on account of the fund; a final settlement might then be made after you have received a complete report on all accounts.

Appreciating an early decision in the matter, I beg to remain,

Very truly yours,

AMERICAN MANAGER

JULY 6, 1917

Mr. PAUL G. L. HILKEN,

Amer. Mgr. German Ocean Nav. Co., Ltd., Hansa Haus, Baltimore, Md

DEAR MR. HILKEN: Thank you for your letter of June 16th enclosing a copy of your letter to Hearst's. I am suffering from my annual attack of hay fever, which, while a very healthy disease, is not conducive to mental or physical efficiency, which will explain my delay in answering.

However, I doubt if the Hearst management will hurry about answering, if they answer at all. Of course they should have made a partial settlement of the profits due the pension fund in January or February at the latest and I believe it would have been Mr. Hearst's wishes to make a fair settlement of the account. Under the present management and conditions, unless you get satisfaction soon, I should advise you to address your proposition as outlined in your letter of June 16, direct to Mr. Wm. Randolph Hearst, care of the New York American and mark it "personal."

When the negotiation reaches the proper stage, if the management claim that they have stock on hand, why tell them that you will allow them to take this stock at cost to you, deduct it from the sum due the pension fund, and you will then guarantee you the sale of this stock for the benefit of the fund. I would insist on taking over the plates of both English and German editions of all binding dies which they have charged off and deducted from the profits. This fall we should have a popular edition of the book which will sell for \$1.00 in both German and English.

The war has had a very bad effect on the Deutschland Series but I am going ahead as strong as I can with limited capital and hoping for a return to normal conditions on the part of German-American reading public this fall. There are already signs of a revival of interest in our books.

Under present conditions I have not hurried our new books but *Der Feldlegionär* in German will be ready next week and is a remarkably wonderful book—the advance wrapper enclosed gives a good description of it.

Bolcke's Feldberichte will be ready in both German and English within a month, the English edition being published under the title of "An Aviator's Field Book" in convenient size for our soldiers. Don't you think this is a good idea? Probably I will not use the Deutschland Library Co., imprint on the English edition for the present because of obvious reasons.

I do hope you will press the Hearst people for a settlement and earnestly have to have the privilege in the near future of promoting the sale of *Koenig's* book along with our other books.

The story of "Moewe" is being translated and will be out in book form this fall.

With highest regards and hoping to hear from you when anything develops, I am

Sincerely yours,

Senator NELSON. Whom is that by? Who signed it?

Capt. LESTER. It is in reply to a letter addressed to "Hearst's International Library Company, attention of Mr. McCann," whoever Mr. McCann is. I am informed that the letter is by McCann, although it may have been written by Perkins.

The information that we have is that the Deutschland book venture, the Koenig book matter, was settled and adjusted. There is

charge or implication that there is any impropriety in the transaction at all.

(The three following letters were also later submitted by Capt. Lester:)

MARCH 1, 1917.

MR. PAUL G. L. HILKEN,

*American Manager of Deutsche Ozean Reederei, Hansa Haus,
Baltimore, Md.*

DEAR MR. HILKEN: I returned a few days ago from a very successful five weeks' business trip in the Middle West, during which I covered dealers and newspapers in about twenty-five cities. You will be interested to learn that we now have open account connections with over five hundred outlets, booksellers, newspapers and agents. The Fatherland gave us their list of accounts which numbered only one hundred and thirty after two years so I feel we have accomplished quite remarkable results in two months.

Your cordial letter of recent date was awaiting me and I thank you for your good wishes. It seems an age since I last saw you in Baltimore, early in December. What a deplorable condition has come about since then as a result of previous lack of wisdom and judgment at Washington.

Well, I am going right ahead with my publishing plans. Enclosed is copy of the second edition of my catalogue which has been well received. I have important new books in preparation and while I have spent a lot of my own hard earned money, I am confident of ultimate success.

I enjoyed a visit from Mr. Jerguson yesterday. In reply to some inquiries of his I told him that I could not properly discuss the Koenig book matter further than to say that I am sure of Mr. Hearst's sincerity and believe the Hearst organization will deal fairly with you in settling whatever is due the Pension Fund of your company.

This brings me to a subject which I have long wanted to talk over with you viz. the cheap edition of Koenig book which we have all understood should be made at the proper time which I think is at hand.

Now it seems obvious to me that this company, named in honor of THE DEUTSCHLAND and specializing in similar books with unusual success, can more successfully exploit the 50 cent or 60 cent paper covered edition than any other company, for the benefit of the Pension Fund. Indeed I know we can do this and I do not believe the Hearst people will object if you approve of our taking over the publication. I know Mr. Hearst's idea was only to make profit for the Pension Fund and if we can realize more money for the Fund on the cheaper edition I think the Hearst management will not stand in the way.

I am going to take up the matter with them soon and in the meantime I wish you would write me if it would be agreeable to you to deal with me on the cheap edition after you have made your settlement with Hearst's. I should also want to continue the \$1.25 editions as there will be a continuous sale for the cloth bound editions for years.

Won't you please think the matter over and let me hear from you?

Very truly yours,

DEUTSCHLAND LIBRARY CO.

APRIL 24TH, 1917.

MR. PAUL G. L. HILKEN,

Hansa Haus, Baltimore, Md.

MY DEAR MR. HILKEN: Enclosed is a letter I would suggest writing Hearst International Library Co., on the green letter head of the Deutsche Ozean Reederei and signed as American Manager. This will doubtless call forth either complete settlement or some reply on which we can base future negotiations.

Very truly yours,

DEUTSCHLAND LIBRARY COMPANY.

HANSA HAUS,

Baltimore, Md., June 16th, 1917.

MR. J. L. PERKINS,

Deutschland Library Company, 1919 Broadway, New York, N. Y.

DEAR MR. PERKINS: "Much water has come down from the mountains" since I received your kind favor of April 24th with your suggestion to write to Hearst's International Library Company. My only excuse for not having

attended to the matter sooner is my constant going and coming, here to-day there to-morrow. I have hardly been in Baltimore more than a day or two any one week, only today have had an opportunity to discuss the "Deutschland" book with our Mr. Jergunson and my father.

The letter to the Hearst people has been written and goes by same mail. Copy for your information is enclosed. I trust it agrees with your ideas, that we will soon have some satisfactory reply from the Hearst Company.

I have not yet had a chance to get after the people who have the other books about which I spoke to you. I will try to see them during the coming week. I now have more leisure. How are the sales of your books progressing? I think the war has not had a bad effect.

With best wishes and sincere regards, believe me

Faithfully yours,

(Signed)

PAUL G. L. FULKNER.

Capt. LESTER. There is one reference that I would like to put in the record, taken from the file of Theodore Ritter & Co., of Boston.

This is a summary in regard to Ritter & Co., who were dealers in books, and among the associates of Ritter which are mentioned, this being a summary of all the investigations of people connected with Ritter & Co., is this reference:

In the city of New York, J. L. Perkins, manager of Hearst's Deutschland Library, 1919 Broadway, New York City.

There is a mass of additional correspondence, but as I have stated before to Senator King, this is put in for the purpose of justifying the statement that I have made in reference to the ownership of the Deutschland Library, as disclosed by the files and records in the Military Intelligence, from which I was testifying.

Now, Mr. Chairman, I renew my request that there be stricken and expunged from the record Mr. Moore's statement and the various allegations and charges contained therein and reflections upon my testimony in this and other respects.

Senator OVERMAN. I wish you would get up those statements and submit them to us and we will pass on them—the statements containing any reflections on you.

Capt. LESTER. I think the stenographer has them.

Senator OVERMAN. You can do that at any time, and we will take them up.

Capt. LESTER. Yes.

STATEMENT OF MR. ALFRED L. BECKER—Resumed.

Mr. BECKER. Before we go on, I would like to make a slight modification of my testimony. I have been thinking as hard as I could, trying to get myself straight on how it happened that the newspaper article showed the statement that Boy-Ed and von Papen were at this Sherry dinner, and I have concluded that I have admitted too much in stating that there was given to the newspaper men an accountant's report that contained that statement. I have reached the conclusion that it was not in any accountant's report.

Senator REED. How did it get out, then?

Mr. BECKER. Wait a minute. I have concluded that it never was in there. I can not get my mind clear on it. In the testimony of Pavenstedt, which was given to the newspaper men at the same time, on page 29, there is this series of questions and answers:

Q. Where were you living in 1916?

A. A German club, 112 West Fifty-ninth Street.

Q. Was Capt. Boy-Ed living at the German Club at that time?

A. He was gone. He left about Christmas, 1915. This all happened in 1916.

Q. Where did he go from there?

A. He went to Germany. He went back to Germany at the end of 1915.

That was the testimony taken on October 3——

Senator REED. What year?

Mr. BECKER. 1917; before these statements were given out; and those present at the taking of depositions were Attorney General Merton E. Lewis, Mr. Robert C. Morris, and myself.

I am inclined to think that Mr. Perley Morse was also present, but his name was not included in those formally recorded.

As I have already stated, the explanation of how it happened, given to me by a reporter on the New York Tribune, was that there was some question of a semicolon which got eliminated, so that the names of Boy-Ed and von Papen were carried into the list of those present at the dinner, when the intent was merely to indicate that they were associates of Pavenstedt.

The whole thing has always been more or less of a mystery to me, but I do recollect this——

Senator REED. When did you discover that the semicolon——

Mr. BECKER. I am not through, if you please.

I do recall this. I recall that the accountant's report, which contains a reference to the dinner, was what led to a discussion of the dinner, at the time we gave out this information, and that one of the reporters found it and he asked about this dinner, and that Mr. Lewis then said so far as he knew the dinner was purely a social affair, or words to that effect.

The written statement that was given out by Mr. Lewis at that time contained no reference to Hearst whatever. That I distinctly recall. When I was in New York this week I tried to hunt up the files of the newspapers so as to get that original statement in the form in which it was given out, that being the only written statement that was given out; but I found that there was not a single New York paper that printed it just as we gave it.

Senator REED. What statement do you refer to now?

Mr. BECKER. The written statement that we had prepared, and which was given out to the reporters.

Senator REED. What was the date of that statement?

Mr. BECKER. On the date that these stories were given out; I think it was the 4th of October, was it not?

Senator REED. When was it that you discovered the semicolon explanation? That is a new one this morning?

Mr. BECKER. No; I mentioned it in my original testimony.

Senator REED. First you stated to us, I believe——

Mr. BECKER. You will find it in the record of the first part of your cross-examination.

Senator REED. I have it all here.

Mr. BECKER. I also stated, at that time—I will refresh your recollection—that the newspaper reporter came and acknowledged the blame, and apologized to us for the difficulties that had originated by reason of his mistake.

Senator REED. Now, just to clear this up a little bit: The statement that appeared in the New York Tribune—and I refer you to the typewritten record, page 4064—was as follows:

The records compiled by Lewis show that at the dinner given to William Randolph Hearst by Bolo Pasha there were also present Adolph Pavenstedt, a friend of Count von Bernstorff, and his directors of bomb plots, Capt. Boy-Ed and von Papen, Mrs. Hearst, Mrs. Owen Johnson, and Julius Bols.

In testifying in regard to that you made this statement—allow me to read you now an excerpt from your testimony from page 4074:

Mr. BECKER. In the accountant's report, as originally submitted—I must say that I had not noticed, until this day, that it had been modified, but it appears to have been—there was a paragraph that merely represented rumor, I think, which stated that a very notable dinner was given at Sherry's, one time at which William Randolph Hearst, Bolo Pasha, and others were present. In the original form—this may be given in some other place in the report. I have missed it; but I remember distinctly that in the original form—of the accountant's report the names of von Papen and Boy-Ed were mentioned as being there; which, of course, was impossible.

Again, at page 4075, you say:

Mr. BECKER. Then, lo and behold, in the morning papers, some of the papers appeared the statement which some keen-eyed reporter had gotten out of the accountant's report, which was entirely erroneous, that Boy-Ed and von Papen were present.

Now, since Mr. Morse has come here, you withdraw that statement—that there was anything in his report which would have formed the basis for this statement?

Mr. BECKER. In stating there that I remembered that distinctly I made a mistake, because I do not remember it distinctly, and the whole thing is vague in my mind. I have not had any conversation with Mr. Morse, but after I had made that statement, the whole thing began running through my mind again, and I have been trying for the last 10 days to puzzle that out and get it straight. I am not entirely clear about it yet, but there are certain points that I am clear about. I am clear about the reporter's apology, and his statement that there was a lack of a semicolon which caused an ambiguity in his story, whereupon his story was misconstrued by the other papers and the Associated Press got it wrong.

I think what you read there, Senator, from that story, will give you the secret of the thing, if you will read it carefully. You will see that there is an ambiguity about it—whether it means that Boy-Ed and von Papen were present at the dinner, or merely that they were friends of Pavenstedt.

Senator REED. As to the ambiguity about it, we will just let that go. But did you not testify, on your examination—did you not laugh, here, when I asked you about this Boy-Ed and Von Papen story, and then say, in substance this—I will not go to your testimony for the present—that that was really amusing, and that you were going to show us exactly how it occurred? And then you reached down and got a copy of Mr. Morse's report?

Mr. BECKER. I thought I had a clear recollection, but when I got up the report—

Senator REED. And you started to find out, and you said there was in the report that statement, that some keen-eyed reporter had gotten it out?

Mr. BECKER. Yes.

Senator REED. And that statement was the one to the effect that Boy-Ed and von Papen were at this dinner. Then you said that the report had been changed since, modified by Mr. Morse?

Mr. BECKER. That it must have been, I think.

Senator REED. Yes. Did you not also say that the reporter came to you the morning or the day after this report had appeared in the newspaper, connecting Mr. Hearst with Boy-Ed and von Papen—did you not say that the newspaper reporter came to you and asked you how you liked the report?

Mr. BECKER. Yes. Some reporter did.

Senator REED. And that you said it was all right, and let it go at that?

Mr. BECKER. Yes.

Senator REED. When was it that the reporter apologized for his report? The very next day? What was the occasion for him to apologize?

Mr. BECKER. We discovered what he really had put in his report.

Senator REED. When did you discover that?

Mr. BECKER. And the matter naturally was discussed, because Mr. Hearst came in with a 16-inch gun.

Senator REED. When was it you made the discovery—some days afterwards?

Mr. BECKER. Later in the same day.

Senator REED. Now, then, if you discovered it later in the same day, did you learn, at that time, that the reporter had gotten it from Mr. Morse's report? What explanation did the reporter give you at that time? Did he say he got it from Mr. Morse's report?

Mr. BECKER. I think the reporter told me that it was due to the omission of a semicolon. Now that you read his report, I think that is it.

Senator REED. How could you, by the omission of a semicolon, put Boy-Ed and von Papen at a dinner that they never attended in the world?

Mr. BECKER. Very easily. If a semicolon were placed there it would make them merely friends of Pavenstedt. If it were not put there it would make them at the dinner.

Senator REED. Let me see you change a semicolon there now and make it read that way.

Mr. BECKER. I wish I could do it. I would like to get this matter straightened out.

Senator REED (reading):

The records compiled by Lewis show that at the dinner given to William Randolph Hearst by Bolo Pasha there were also present Adolph Pavenstedt, a friend of Count von Bernstorff, and his directors of bomb plots, Capt. Boy-Ed and von Papen. Mrs. Hearst, Mrs. Owen Johnson, and Julius Bols.

Now, just put your semicolon wherever you want to and get those gentlemen out of that dinner.

Mr. BECKER. Yes; it is very easy.

Senator REED. Punctuate it now.

Mr. BECKER. Only I would prefer to do it by using——

Senator REED. By using an eraser?

Mr. BECKER. By using parentheses.

Senator REED. By using parentheses?

Mr. BECKER. Yes. I will read it to you:

The records compiled by Lewis show that at the dinner given to William Randolph Hearst by Bolo Pasha, there were also present Adolph Pavenstedt—and

then put in parenthesis—"a friend of Count von Bernstorff and his directors bomb plots, Capts. Boy-Ed and von Papen"—turn parenthesis—"Mrs. Hearst, Mrs. Owen Johnson, and Julius Bois."

Senator REED. Oh, yes.

Mr. BECKER. Very simple.

Senator REED. Do you not think you had better take a knife and cut it out?

Mr. BECKER. I wish it had been cut out, because it was an unfortunate occurrence.

Senator REED. When you say you wish it had been cut out, why did you not, when you found it was in there and found that it had been circulated all over this country and taken up by the Associated Press, etc.—why did you not come out in a manly statement—

Mr. BECKER. Mr. Lewis did so.

Senator REED (continuing): And say that von Papen and Boy-Ed were not there?

Mr. BECKER. Mr. Lewis did so.

Senator REED. Did Mr. Lewis say—

Mr. BECKER. But he would not do it in the way that Mr. Hearst wanted it done. I have it all right here.

Senator REED. Let us see what he did. You have got so vehement about it. You might as well be calm.

Mr. BECKER. I am always somewhat agitated in the presence of misrepresentation.

Senator REED. Well, you must be agitated all the time, for I think you travel with it.

Mr. BECKER. That is very witty, but I think, if the Senator please, the Senator is not justified in making that remark.

Senator REED. Do not start it, that is all. Just keep being a gentleman and you will not have any trouble.

Senator OVERMAN. I think we ought to keep to the ordinary procedure.

Senator REED. Find the statement in which Mr. Lewis exonerates Mr. Hearst.

Mr. BECKER. When Mr. O'Reilly—

Senator NELSON. What are you reading from?

Mr. BECKER. I am stating my personal knowledge first. When Mr. O'Reilly and Mr. De Ford came with their demands, which I characterized, and characterize again, as a demand for a certificate of 100 per cent Americanism.

Senator REED. You have just said that you were going to state your personal knowledge. Were you present when they were there?

Mr. BECKER. My recollection is that I was.

Senator REED. Will you swear that you were?

Mr. BECKER. I think I will; yes. I was certainly in the vicinity.

Senator REED. Were you present so that you could see and what took place?

Mr. BECKER. That is my recollection. Mr. Lewis prepared a statement, or rather a letter, which he submitted to me first, and when it was agreed should be the only thing that he would give to the gentlemen. The letter was never published in the Hearst paper. But Mr. Lewis took the precaution to send it to the World, which

it was printed on Friday, October 5, as follows, there being first a statement that I heard Mr. Lewis give over the telephone:

Mr. William A. De Ford, counsel for Mr. Hearst, and Mr. O'Reilly, his secretary, called on me to-day at my apartments in the Murray Hill Hotel and asked me regarding the truth of the statement attributed to me in the morning papers. I replied that I had made the written statement which appeared this morning. I then handed to Mr. De Ford this letter:

"In compliance with your request, I am handing you herewith a copy of the statement which I gave to the press last evening. This is the only written statement I have made for publication. I made no verbal statement except that, in reply to a newspaper man's inquiry, I said to him that, according to the testimony of a witness, William Randolph Hearst and his wife were present at a social dinner given by Bolo Pasha at Sherry's."

Senator REED. Do you call that a complete vindication to the public of a statement that had gone out purporting to go from your office in which it was charged that Mr. Hearst was present at a dinner—

Mr. BECKER. I was not quite through, there. Mr. Lewis also stated verbally to all the reporters who asked him about it, in their presence, that there was no evidence in his possession that Boy-Ed and Von Papen were there, but, on the contrary, they could not have been there because, as had appeared in the very evidence that had been taken prior to that and which was submitted to the reporters, they had sailed about Christmas, 1915.

Senator REED. Then why did he not put that in this written statement that you and he were preparing so carefully?

Mr. BECKER. Because Mr. Hearst insisted that he should assume and acknowledge the blame for that statement.

Senator REED. Would he have assumed and acknowledged the blame if he had said in his written statement that his statement in the newspapers attributing to him the charge that Von Papen or Boy-Ed were at a dinner at Mr. Hearst's, or with Mr. Hearst, was incorrect; would he have assumed any more responsibility there than he would have when he said it orally, as you claim he said it?

Mr. BECKER. It amounts to the same thing.

Senator REED. There is no use discussing a question of that kind. Are you through with your explanation?

Mr. BECKER. Mr. Morse is here and he can probably tell you what was in the report.

Senator REED. Yes; I asked to have him brought here, to have him tell it. I think it has had a good effect.

You stated in your testimony that you did use Mr. Lubin in the Baff murder case?

Mr. BECKER. Yes.

Senator REED. In any other cases or matters?

Mr. BECKER. Can you refresh my recollection about that? I am not very clear.

Senator REED. I thought perhaps you could remember, on account of the character of this man.

Mr. BECKER. I do not seem to.

Senator REED. You can not say that you did not use him?

Mr. BECKER. I think I can safely say that I did not; yes.

Senator REED. Was the Baff murder case known as the gangsters' case.

Mr. BECKER. No; I never heard it called that. It may have been, but I never heard it. That term, "the gangsters' case," was usually used in other litigation.

Senator REED. It was a different case. Did you have anything to do with it?

Mr. BECKER. No.

Senator REED. I notice here on November 3, 1915, that there is an item of \$15 for Jacob Lubin.

Mr. BECKER. That settles it, because I had nothing to do with the Baff case until two years afterwards.

Senator REED. That is the only item in the gangsters' case. Now, are there any bills for Mr. Lubin or for moneys that were paid to Mr. Lubin on file in the office in Albany?

Mr. BECKER. I can not say for sure. I keep duplicates of those bills always, and whether they are in the Albany office or the New York office of the attorney general I do not know.

Senator REED. You do keep duplicate bills, and you could give us duplicates of all these bills if they are on file? Are there many on file in the governor's office?

Mr. BECKER. I do not think there are many in the New York office.

Senator REED. Do you or do you not keep duplicates of the bills?

Mr. BECKER. I keep all these city bills. That is ordinary office routine. That is a different thing.

Senator REED. Do you keep duplicates of the vouchers that you send to Albany?

Mr. BECKER. The vouchers under the Peace and Safety Act have all been sent to Albany.

Senator REED. You have no duplicate copies of them?

Mr. BECKER. No; the only thing I would have in New York would be the check stubs.

Senator REED. Have you got the check stubs?

Mr. BECKER. Yes.

Senator REED. I will ask the committee to require the witness to bring over his check stubs.

Senator OVERMAN. Do you refuse to bring them over?

Mr. BECKER. They are in the same status as the others. I am a subordinate. I want them to go in the same boat as the others, exactly.

Senator OVERMAN. You will bring them with the other vouchers!

Mr. BECKER. Whatever is done with the others. The check stubs will go with the others. If they are sorted out and certain ones removed the check stubs will be the same. They will neither add to nor subtract from them.

Senator REED. I would like to get them. I may not get the other information.

Mr. BECKER. If you do not get those, you may not get these.

Senator REED. I will ask that the committee demand that the witness bring these stubs. We have at last found a record, which he has testified about in a manner which led me to believe he did not have it.

Mr. BECKER. I stated what there was.

Senator REED. If so, the record will show it. My recollection is that he said there was no record in the office. But now, if there is, I will ask that the witness be directed to bring them here, and the

committee can then determine the question. I will submit that to the chairman and let the committee decide it in executive session if you desire. I want to go on with some other matters, because I want to get through.

Mr. BECKER. There should not be any misunderstanding. All of the records are in the custody of the attorney general at Albany. I was under the impression that they had been turned over to the governor, but I learned afterwards that while they had been taken to the governor for audit, they had been returned to the attorney general's office.

Senator NELSON. Of the State of New York?

Mr. BECKER. Of the State of New York.

Senator REED. But you still had your office check stubs?

Mr. BECKER. Yes.

Senator OVERMAN. The records in the office of the attorney general's office.

Mr. BECKER. The vouchers.

Senator REED. You said that Lubin had been used as a stool pigeon in the Becker case.

Mr. BECKER. I had heard so.

Senator REED. You stated so; that he had been a stool pigeon in that case.

Mr. BECKER. I said I had heard so.

Senator REED. And he testified in that case?

Mr. BECKER. I do not remember anything about it.

Senator REED. Do you not remember that he not only testified in that case, but that the appellate court, which decided the case, practically said that his testimony was unworthy of belief?

Mr. BECKER. Well, there were two very long opinions in the Becker case, and my impression is that there is nothing of that kind in there in either of them.

Senator REED. Very well. You would recognize a picture of the gentleman, I presume, would you not?

Mr. BECKER. I do not think I ever met him, and yet I may have. Possibly the picture will refresh my recollection.

Senator REED. Yes; I will be glad to hand it to you [handing photograph to witness].

Mr. BECKER. I do not think I ever saw him.

Senator REED. Well, I will put it in as a picture of him. I want to put it in evidence in connection with the criminal record of this man.

Senator OVERMAN. You do not mean to put the picture in?

Senator REED. Yes, offer it; but you do not have to print it. I offer it for the purpose of identification in the future. [Reading:]

As Jacob Cohen, 9/11/99, Chicago, Ill., robbery, discharged. (Chicago, Ill. letter of 8/17/00.)

As Jacob Luban, May 1904, St. Louis, Mo., Forgery, On 11/11/04, 2 years, Jefferson City, Mo. Pen., (Motion for a new trial was sustained and on 1/4/05, he pleaded guilty to 3 charges of Forgery, Sentenced to 8 months, City Workhouse and paroled Jan. 23, 1905).

As Jacob Lubin, 7/31/09, N. Y. City, Petit Larceny (Letter box Thief), on 3/09, Discharged, Special Sessions, Officer Landers & Horton, D. B.

As Jacob Lubin, 10/27/10, N. Y. City., Grand Larceny, On 12/13/10, Sentence suspended, Judge Mulqueen, Officer Gegan, Allen & Brown, D. B.

As Jacob Lubin, 5/15/12, Bklyn, Forgery, On 4/5/15, 20 years, Sing Sing, Judge Dike, Officers Van Duzer & Burke, Bklyn D. B., (Out on Writ. 7 3 15) Taken to Sing Sing on March 3, 1916.

As Jacob Lubin, 8/12/12, Newark, N. J., Forgery, on 11/12/12, Discharged, Judge Martin, Officer Fulti & Maier, Newark, N. J.

As Jacob Luban, 7/30/15, N. Y. City., Common Gambler, On 9/17/15, Discharged, Grand Jury, Officer Cantwell, C. O. Sq. #2.

As Jacob Lubin, 2/28/16, N. Y. City., (Forgery of 5/15/12,) Delivered to City Prison, Officers McQuade, 501, Special Quad #5.

Now, is it not a fact that you knew of this man's long criminal record at the time you were employing him?

Mr. BECKER. I never employed him.

Senator REED. Well, at the time he was working out of your office.

Mr. BECKER. He never worked out of my office.

Senator REED. Did you not say he worked in this Baff case that you handled?

Mr. BECKER. No.

Senator REED. What! Did you not testify that Lubin worked the Baff case?

Mr. BECKER. No; I said that he gave us some confidential information, and that he was paid for it.

Senator REED. Did you not state, "In the Baff murder case he was paid something for confidential information. I have forgotten what it was"?

Mr. BECKER. That is it.

Senator REED. Well, then, if he was working, he was doing something.

Mr. BECKER. But you are trying to make it appear that I was doing something out of the ordinary, which is perfectly ridiculous. Prosecutors undertake to find out some things that are going on inside of prisons. It is rather interesting, since you have gone so much into that, that there was a group of six or seven witnesses of various kinds in an intrigue who expected to get Cohen off at trial by proving statements that were supposed to have been made by Cardinali and the other complaining witnesses. We got rid of that. I believe it was a crooked plot to frame up a defense, and the question was, so to speak, to go inside the State prison and find out what was going on in there, and the only way I know of doing that is to do it through convicts.

Senator REED. And stool pigeons.

Mr. BECKER. It is the ordinary method if you want to get any convictions, if you want to get the facts necessary, and I believe the prosecuting attorneys in Missouri do it.

Senator REED. I want to say that if they did the things disclosed in this case they would be tried and convicted and sent to the penitentiary.

Mr. BECKER. I want to say that if a cross-examining attorney conducted himself in New York as you have done in this case he would be found guilty of contempt.

Senator REED. Of you or of the court?

Mr. BECKER. Both.

Senator REED. One of them would be impossible.

Mr. BECKER. Anybody can make those remarks. I can make them myself.

Senator REED. Another thing I want to ask you about, sir, if this man Lubin, who was sent up for 20 years, was not pardoned and turned out by a governor who had been a prosecuting attorney, and he was used in other cases—in the Becker case—and after he was turned out, if he was not used in the Baff case?

Mr. BECKER. I think it is just the other way around.

Senator REED. Very well.

Mr. BECKER. One other thing. I forgot to state that the group of witnesses was brought down in the defense of Cohen and kept there all during the trial, and at the end of the trial the defense themselves came to the conclusion that their testimony was not honest, and he did not call any of them as witnesses.

Senator REED. That was a very honorable position to take.

Mr. BECKER. It was taken by Mr. Frank Morse, who is the principal counsel in the defense. He is a very honorable man.

Senator REED. Was that due to what Mr. Lubin had disclosed?

Mr. BECKER. I always felt that Lubin was trying to double cross us.

Senator REED. Did you say that in the Baff case he was paid for confidential information, but that the confidential information did not pan out?

Mr. BECKER. It has come back to me. I have been thinking about it.

Senator REED. You testified about it a few hours ago.

Mr. BECKER. That is the first time I had thought of it for a year.

Senator REED. I will pass on.

Mr. BECKER. I wish you would.

Senator REED. Was Mr. Lubin used in the case of United States against Ringwall?

Mr. BECKER. I have no recollection of it whatsoever.

Senator REED. Did you have something to do with that case?

Mr. BECKER. I am the man who advised, chiefly, the attorney general's office in regard to that case. That was a case where, in substance, there had been an attempt to bribe a deputy attorney general in the Albany office. That was the substance of it. What was done was that after that attempt was made, on my advice—the man on whom the attempt was alleged to have been made was acquitted—on my advice the man was encouraged, to see how far he would go with it. He was encouraged to write letters, and all that sort of thing.

Senator REED. What I am trying to get at is this: Were you and Mr. Musica very active in this case?

Mr. BECKER. We were active in one phase of it.

Senator REED. And is it a fact that the substantial charge here was that this man was forming a conspiracy to defraud the draft?

Mr. BECKER. The specific charge was that they had attempted in a specific case to bribe the deputy attorney general. That was not a part of the case.

Senator REED. The case was broader than that?

Mr. BECKER. Yes; quite.

Senator REED. You and Mr. Musica really organized that case, did you?

Mr. BECKER. The Ringwall case? Mr. Ringwall ordered it.

Senator REED. He was an aid?

Mr. BECKER. Yes.

Senator REED. But I am talking about the prosecution.

Mr. BECKER. The investigation of the case was participated in by a deputy in Albany, by a man that posed as an Albany lawyer, could be employed and could influence the attorney general's office and the adjutant general's office. That is about the substance of it and that was the Albany end of it. The New York end of it was conducted by Mr. Musica and me.

Senator REED. Did Mr. Musica appear as an attorney in that case?

Mr. BECKER. He never appeared in it at all.

Senator REED. Under what name did he operate when he was working at that case?

Mr. BECKER. I do not remember: he used so many different names at different times.

Senator REED. How many different names did he have? Well, Johnson and Musica. It is interesting to know how many names he had.

Mr. BECKER. In investigations he used Johnson, Musica, Tracy, and several others.

Senator REED. Well, give us those.

Mr. BECKER. I can not remember them.

Senator REED. So many you can not remember them?

Mr. BECKER. I dare say he has used 25 or 30 names in the course of his investigations for us, the same as every secret service man does.

Senator REED. Can you remember some more of the 25 or 30 names?

Mr. BECKER. I know of one occasion when he said he used "Mr. Becker."

Senator REED. Of course, that did not offend you at all?

Mr. BECKER. No; I authorized him to. That was a case where we talked over the telephone and we were trying to get an admission from somebody, and I listened in on an ear piece and had it taken down by a stenographer.

Senator OVERMAN. Can you not shorten this? This is not a trial in this sort of cases. We have tried half a dozen murder cases here and never saw such an examination since I was born. It has nothing to do with what we are proposing to investigate.

Senator REED. I think the matter we are trying to bring out is material. If the witness did not go into so many details, I would not know what to do.

Mr. BECKER. I know one case when he pretended to be a man named Galliani, and he talked over the telephone in a similar way, imitating the Italian accent. He convinced one of the defendants in the murder case that he was talking to Galliani and got a lot of information from him to use in that case. He was a very versatile and able man.

Senator REED. He told this man that he was Galliani?

Mr. BECKER. Yes.

Senator REED. He did not hesitate to lie about it?

Mr. BECKER. That is the way you have to conduct these investigations. These top-lofty ethics would not get you anywhere.

Senator REED. What I want to get at is, in the trial of this Ring case, if an attempt was not made to serve a subpoena on Mr. Musica?

Mr. BECKER. Yes; I heard of it, and I went over there and the judge shut out the attempt to prove that Musica was listening.

Senator REED. He did shut it out. And was there not an attempt to serve it on him, and he escaped through a window?

Mr. BECKER. I think not. I think he would have killed himself if he had, since he was on the ninth floor.

Senator REED. Did he not try to crawl out of a window, and did he not crawl out of a window and go along the coping and escape in that way?

Mr. BECKER. I doubt it very much.

Senator REED. You doubt it?

Mr. BECKER. The coping was only about so wide [indicating]. I never heard of it.

Senator REED. Do you know of him escaping from any window?

Mr. BECKER. No; I think it is preposterous.

Senator REED. But you did refuse to give his name in the trial of a case where a man's liberty was at stake?

Mr. BECKER. No.

Senator REED. And the judge did not compel you to give his name?

Mr. BECKER. No, sir; that was not it, at all.

Senator REED. Was not that just what you said?

Mr. BECKER. No.

Senator REED. Did you not say that you refused to give his name?

Mr. BECKER. No.

Senator REED. Did you not say, a minute ago, about that?

Mr. BECKER. I said that the judge shut it out. The objection was made by the United States assistant district attorney.

Senator REED. And the judge shut it out?

Mr. BECKER. Yes; and the judge shut it out. No; I am wrong on that. I will take that back, now. The judge smelt a rat as to what was happening, that an attempt was being made to make a defense on an utterly immaterial issue, and he shut it out on his own motion.

Senator REED. The judge smelt a rat, and it was not material who might have been working in the case, and he just would not let them ask even the name of the man?

Mr. BECKER. I was sitting on the witness stand, and only one question was asked me: "What is your name?" and the judge said "What is this all about?" Then he said to counsel, "Come up here," and there was a little discussion between him and counsel, and he said he would exclude it all.

Senator REED. The defense in that case was that this was a job worked up by Mr. Musica and others, and the jury acquitted the men in about 20 minutes' time, did they not?

Mr. BECKER. I think you are pretty much wrong about that.

Senator REED. There was an acquittal, was there not, in about 20 minutes?

Mr. BECKER. No; I think you are wrong on that. I think the jury were out quite a long while.

Senator REED. Since we have got so many names for Mr. Musica since this morning, I want to ask you if he was one of the men known as John Johnson?

Mr. BECKER. Not to my knowledge.

Senator REED. Who was John Johnson, do you know?

Mr. BECKER. See if you can refresh my recollection. What have you there?

Senator REED. I have a statement here that the disbursements necessarily made were made to a person by a fictitious name, and then

it is put in here "Paid John Johnson, \$61." There are a large number of these.

Mr. BECKER. I never had one like that [indicating paper].

Senator REED. Mr. O'Malley appeared in this case.

Mr. BECKER. That is probably under District Attorney Swan.

Senator REED. I am asking you if you know about this. It was in the Baff investigation in 1916.

Mr. BECKER. No; I have not the slightest idea who John Johnson

Senator REED. All right; if you do not know, I will not pursue it. I have just one more question to ask. I want to be a little more specific about this attempt to serve a process on Mr. Musica. You state he was not in an office and did not barricade himself against the process servers?

Mr. BECKER. All I know about it is that I came down to the office and I was informed—I had been away to lunch, or something like that; and I was informed—that somebody had been trying to serve Mr. Musica with a process in that case.

Senator REED. Yes; and what had happened?

Mr. BECKER. And that he was not there. I said "I will take care of that myself. I will go over and myself settle this proposition," and I went over to court, with the result that you know about.

Senator REED. Got it so that the judge would not send for him?

Mr. BECKER. What?

Senator REED. Did you in that case state——

Mr. BECKER. I would like to answer that last question. I will like to have that question read.

(The question referred to was read by the stenographer as follows—)

Senator REED. Got it so that the judge would not send for him?

Mr. BECKER. No such thing occurred.

Senator REED. Did you, in that case, state in court that Musica was in Washington?

Mr. BECKER. No.

Senator REED. Very well.

Mr. BECKER. Positively not.

Senator REED. In connection with this work and investigation of the Bolo Pasha case and in the Humbert case and the Hearst matters. I will ask you if you had under consideration the matter of writing a book.

Mr. BECKER. Not seriously.

Senator REED. Had you taken it up with the Wildman Syndicate?

Mr. BECKER. No; the Wildman Syndicate had up the matter of publishing—well, not the Wildman Syndicate; Mr. Wildman's magazine, I think it is the Forum, had up the matter of writing an article about the Bolo case. That is all that happened in that connection, and I have not seen anybody connected with the Wildman Syndicate since.

Senator REED. Have you had it up with anybody else—the matter of a book?

Mr. BECKER. I have talked over the book question, in a joking way with two individuals.

Senator REED. Yes; was it a joke, entirely?

Mr. BECKER. Yes.

Senator REED. Did you have the question up of moving pictures in connection with it—these subjects?

Mr. BECKER. Yes; that we did have up, seriously.

Senator REED. Yes. Whom did you have that up with?

Mr. BECKER. The question in my mind was if there was not enough dramatic material in the whole Bolo case up to the time of his death to make a scenario for a moving picture.

Senator REED. With whom did you have that up?

Mr. BECKER. With several moving-picture men, whose names I do not recall; and I went so far as to attempt to see what I could do—it was the first experience I had had with that business—in drafting a scenario for a moving-picture story of the Bolo case, and I think I have a lot of my notes here, that I made at that time for that purpose. That was serious, and I still think it would have been a success.

Senator REED. Now, I want to go back.

Mr. BECKER (continuing). But the moving-picture men did not seem to be interested, and they never came around any more. I saw a chance to eke out my meager salary a little bit, there.

Senator REED. Yes; you expected to make some money.

Mr. BECKER. Yes.

Senator REED. Of course. Is it not a fact, now, in regard to these vouchers, that the vouchers which are now being withheld are the vouchers which show the moneys paid to the witnesses and the snitches and stool pigeons and the partners who were engaged in the business and association for getting evidence? Are not those the very vouchers which are now withheld?

Mr. BECKER. No; there is nothing in that. That is the sort of a question that ought not to be asked, anyhow. It is not a fair and candid question. It is only designed to make copy for a newspaper. That question was framed in that way with the express intent of making something that would read well in the papers.

Senator REED. I am not playing to the newspapers, or writing scenarios for moving pictures, or anything of that sort. I am asking you, now, if it is not a fact—I will be a little more specific with you. I will ask you if it is not a fact that the vouchers which were paid to the two gentlemen who entered into the partnership for the purpose of procuring the evidence, that you referred to this morning, are not among the vouchers that are withheld?

Mr. BECKER. Nothing of that sort ever happened, so that there are no such vouchers.

Senator REED. Do you mean to say that you have not testified here this morning that two men were employed, and they formed a partnership for the purpose of procuring witnesses who would make the affidavits?

Mr. BECKER. Nothing of that sort could be found except in the vivid imagination of a reporter.

Senator REED. Did you not make that statement this morning under oath?

Mr. BECKER. No; certainly not.

Senator REED. Did you not make it in substance and effect?

Mr. BECKER. No; certainly not.

Senator REED. I will not press it, because the record shows the facts.

Mr. BECKER. What I said was, that one of these men, McDowell or McDonald, and another man, or something like that, were a firm engaged in controlling the chauffeurs at the Ritz-Carlton Hotel, and those were the two men that did the work for us, and I did not want to swear that the check was not made out in the name of the partnership.

Senator REED. But that check, which was paid to that partnership who were just then engaged in the business of getting this evidence, will not that check, or the evidence of that check, be one of the vouchers that is being withheld? Is not that one of those vouchers?

Mr. BECKER. I do not know that anything is being withheld.

Senator REED. Very well; that is all, Mr. Becker; except that when we get those vouchers I may want the witness back.

Mr. BECKER. I do not think it would be a proper method to have counsel rummaging over the vouchers to determine whether he wants the witness back or not.

Senator REED. Well, I say now that I would like to have the witness back then.

Mr. BECKER. All right, that suits me much better. If the vouchers come I will come with them.

Senator REED. All right.

Mr. BECKER. Now, I would like to state to the committee that in view of the hostile cross-examination and the course that it has taken, I feel that, whatever I might think about myself, it is my duty to my former chief to make some statement with reference to the series of transactions that occurred, because, after all, up to the last of last December, while he was Attorney General, he was the man who will have to take the responsibility, coupled with me, for anything that I did as his deputy; so that I am going to review the situation very briefly. I think I can compress it into about five minutes.

Senator REED. It seems to me this is very irregular in a hearing.

Mr. BECKER. In October, 1917, there was an exposé through the newspapers of the facts in the Bolo case, which, as I have stated, consisted of presenting a statement in writing to the papers, of showing them all the evidence that had been taken up to that time, and the accountant's report, and of making such oral explanations as were called for by questions. Unfortunately, I have not been able to find the written statement, but I am positive that it contains no reference to Mr. Hearst whatever.

One of the reporters then inquired concerning the dinner at Sherry's, having, according to the best of my present recollection, obtained information of the fact that that dinner had occurred, from the accountant's report. Mr. Lewis stated that to the best of his knowledge and belief it was merely a social affair.

Senator KING. He indicated that to you or to the reporter?

Mr. BECKER. To the reporter; to all that were present, and I was present throughout. Nothing was said in any way, shape, or manner, and there was nothing in the testimony, that could have in any way justified the statement that Capt. Boy-Ed and von Papen attended the dinner.

The next morning all of the New York papers printed accounts of it, and what happened was, as appears by the statement in the Tribune, that a statement that was really intended to convey the

only that Boy-Ed and von Papen and Bernstorff were friends of Pavenstedt, was so worded in the report that it was ambiguous, and could convey to the mind, perhaps, that Boy-Ed and von Papen were at the dinner. I think that is perfectly apparent from the excerpts from the Tribune article that counsel have.

It was subsequently explained to me by the reporter that wrote it, that it was the lack of a semicolon, but I should say, rather, it was the lack of two parentheses, which would have made it perfectly clear that the reference was to those two persons. The unfortunate result was that there was a general copying of the Tribune article by some of the other papers and by the Associated Press, with the result that Mr. Hearst, who was then in California, got the impression that Mr. Lewis had charged him with being present at a dinner at which Bolo Pasha, Pavenstedt, Boy-Ed, and von Papen were present.

On October 5, the next day after the publication, Mr. Hearst sent a dispatch from Los Angeles in the form of a written statement. It has already been read in evidence, and the only point about it that I wish to call attention to is that it contained, first, a statement about his meeting with Bolo Pasha at that dinner; "That is all that I have ever known or seen or heard of Bolo Pasha"; and that it contained, second, a defiance to the attorney general "to disprove any word in his statement of mine, or to sustain any one of his own unwarranted imputations, except his one truthful statement that his association with Bolo Pasha was purely social."

On that same day, the 4th, Mr. Lewis had a call——

Senator REED. Was that 1917 or 1918?

Mr. BECKER. It was all in 1917. On that day Mr. Lewis had a call at the Murrayhill Hotel from two representatives of Mr. Hearst; from Mr. De Ford, his attorney, who has been here throughout these hearings, and Mr. O'Reilly, who was the personal representative of Mr. Hearst. The demand was made that a certain letter be signed, to which some reference has been made here, and I need not go into that.

Mr. Lewis stated that the letter as drafted amounted practically to a confession that he had misrepresented the facts as to Boy-Ed and von Papen being present at the dinner, and that he would not do any such thing; that he would give them a copy of the letter and a copy of the statement in writing that he actually gave out; and I have read that into the record.

If I remember rightly, on the following day, the 5th, there was a call from two other Hearst reporters, at which I was present, at which Mr. Lewis reported that he was not responsible, and should not be held responsible. The reporter afterwards apologized both to Mr. Hearst and to me for having started this mare's nest.

Senator NELSON. You mean not to Mr. Hearst and you?

Mr. BECKER. No; he apologized to Mr. Lewis and me for having started this mare's nest on Boy-Ed and von Papen.

Senator KING. Was the correction made in the Tribune or the Associated Press?

Mr. BECKER. I think it was. I prefer to confirm that by examination of the files. Of course, the facts spoke for themselves, because everybody that knew anything about it knew that Boy-Ed and von Papen had been out of the country since December, 1917.

Senator REED. Do you have any recollection of a correction having been made and sent out to the country?

Mr. BECKER. Yes.

Senator REED. When?

Mr. BECKER. It is indefinite in my mind.

Senator REED. Yes.

Mr. BECKER. As I say, I would like to consult the files on that.

Senator REED. I wish you would consult them and bring them.

Mr. BECKER. Now, during the same month of October, and during subsequent months, and continuing down to the present time, various departments of the Government have been engaged in investigating Mr. Hearst's alleged pro-Germanism and disloyalty. I doubt if any of the investigating branches of the Government is exempt from the taint of improper activity, and I think I may properly state that during October, 1917, and down to April, 1918, I had quite a protracted correspondence with the French Government on the subject, but I have been unable to obtain the permission to read that correspondence here.

In February the Bolo Pasha trial occurred, and in that connection I would like to read, from a report that I have of the trial, certain things which occurred. This is partly a narrative report and partly a stenographic one.

Senator REED. Now, I submit——

Mr. BECKER. Just a moment. I am not quite ready to read it yet. I was requested by Senator Reed on the first day to produce this here if I could, and I have it now.

Senator REED. Let us see it.

Mr. BECKER. It is in French, and I shall have to translate it.

Senator REED. Is that the original that you have there?

Mr. BECKER. It is my copy from the source from which I obtained it, which was a very elaborate report of the French trial in a French newspaper.

Senator REED. You say that I asked you to get a report from a French newspaper of that trial?

Mr. BECKER. You did not make any reference to a newspaper. I said that I had an accurate and full report of the trial, and I offered to state the substance of what was proved there, from memory, and you said you would prefer to have it from the accurate French account.

Senator REED. Very well; you have not got it here. We have a newspaper account. I object to that.

And this witness, by the way, who asked merely to be permitted to make some explanations, is now going into new matter. I do not know when you want to end this case.

Senator NELSON. Well, Mr. Reed, he is the witness of the committee. We have the right to him.

Senator REED. Certainly; if the committee wants to hear him, I am just making the point to the committee.

Senator NELSON. Yes.

Mr. BECKER. I translate as follows:

At the fifth session of the trial, Rene Prevost, lieutenant attached to the Bureau of the Foreign Press, speaks of Hearst and of his newspapers.

Senator REED. I submit that is not evidence, and it is not a proper thing to bring it in here.

Senator NELSON. It is as much evidence as the rest of it we have got here.

Senator KING. There is so much hearsay evidence that has gone in, and there is so much evidence that is not recognized as evidence, that while I do not think it is competent or material, as it is purely hearsay—

Mr. BECKER. It is a report of sworn testimony at a trial, and as you will see, very accurately stated.

Senator REED. And of course that would be hearsay in this case.

Senator NELSON. It is of the same character as most of the testimony we have had here. We have had statements and summaries of testimony.

Senator OVERMAN. Let it go in. Go ahead.

Mr. BECKER (continuing translation):

An article on Hearst which appeared in the Journal to-day disquieted the censorship.

Senator KING. You mean the article to which you referred some time ago, which was published in the Journal?

Mr. BECKER (continuing translating):

Mr. Prevost declared that articles containing eulogies of Hearst had been on many occasions presented to Senator Humbert's newspaper personally by Mr. Charles S. Bertelli, representative at Paris of the International News Service. The Lieutenant declared that his attention had been drawn the first time to Bolo Pasha by an article containing a eulogy of Mr. Hearst printed in English, in La Victoire. He described also the relations of Bolo Pasha with the American press.

Lieutenant Prevost declared that he had received an order to make translations of many articles appearing in the Hearst newspapers, after which the censorship decided not to allow any articles containing a eulogy of Mr. Hearst to be printed, as the censorship considered him as absolutely pro-German.

Then was called Mr. Bertelli, the American correspondent, and he denied that Mr. Hearst had ever been pro-German. It has been said in the market place that he was.

The president of the court, the presiding judge, said. "The phrase has not been pronounced."

Mr. Mornay, the prosecutor, said, "I pronounced it."

Mr. Bertelli said Mr. Hearst was a Federalist, like President Wilson.

Bolo has said that he wished to win over Hearst to pro-French sentiment, That did not have any result, since these sentiments, he has always professed them.

Mr. Bertelli made the voyage from America with Bolo, whom he found charming. He introduced the Pasha to Hearst and assisted at the dinner at Sherry's.

Q. Who gave it?

A. Bolo and I.

Q. Who paid for the dinner?

A. Bolo.

Q. Is it not a fact that Bolo loaned you money?

A. Oh, yes; with the best grace in the world; and he has, furthermore, been reimbursed.

Now, at the seventh session of the Bolo trial the witness was Mr. Henri Cain. His testimony was as follows:

Bolo was my friend during seven months and a half. It was I who prepared the president of the Republic, my friend always, to receive him and give him an audience. It was before the voyage to Spain of Messrs. Bolo and Humbert. Bolo did not devote himself at all to the Spanish question. He spoke of Hearst and of the Khedive. Immediately the conversation became very cold.

Senator REED. I would like to have you file that original memorandum.

Mr. BECKER. That last should have been translated:

Immediately the conversation became more cold, instead of very cold.

Senator REED. I would like to have the original of that statement filed.

Mr. BECKER. All right [handing statement to the committee]. The investigation of the Bolo case succeeded, along precisely the same lines as the Humbert case, at the request of the French Government. There are four or five letters rogatory in the Humbert case, and it was necessary to keep most of it confidential, for the benefit of the investigation. However, I can read the precise part under which the evidence was taken.

In the letters rogatory of February 26, 1918, the following occurred:

In a general way, to proceed to all investigations, hearings, and such measures.

That was the subject of communications between——

Senator NELSON. Have you finished taking these letters rogatory?

Mr. BECKER. No; I have not finished. That was the subject of correspondence between the French Government and me.

On June 15, 1918, a report of what could be stated by Francis Berkowitz, Cornfield, and Fredricksen—those are the names—was given to me in the form of affidavits. Many other witnesses have been interviewed whose testimony would have some relation to the possible participation of Hearst in this pacifistic plot, but these are the only ones whose affidavits were taken. There were depositions taken of other persons, one on the 8th of April and one on the 22d of April, both of which touched upon Mr. Hearst.

Senator REED. By the way, will you file those depositions with the committee—the copies that you have?

Mr. BECKER. Well, they ought to be privileged on account of having relation to the Humbert case.

Senator REED. You had stated to me that you had turned them over to me to allow me to examine them this morning.

Mr. BECKER. I misunderstood you. Yes, indeed. I thought you referred to something else.

Senator REED. I am referring to the depositions of all these witnesses.

Mr. BECKER. Yes. Here they are. [Handing papers to Senator Reed.]

Some time in the summer, possibly in May, Mr. Lewis announced his candidacy for governor.

On July 22 Luke J. O'Reilly announced the candidacy of Mr. Hearst for nomination for governor on the Democratic ticket, and petitions were circulated, necessary under our law, to procure Mr. Hearst's nomination. We do not nominate under the convention system. We nominate at primaries by petition.

Senator NELSON. You nominate by petition?

Mr. BECKER. Yes. I thought I had here some of those petitions. There is the designating petition for the nomination of William Randolph Hearst for governor of the State of New York on the Democratic ticket.

On July 22 Theodore Roosevelt declined to run for governor on the Republican ticket.

On the 23d the unofficial Democratic convention met at Saratoga. Mr. Hearst still being a candidate, and the following resolution was unanimously adopted by the convention——

Senator REED. Now, wait. Mr. Chairman, are we going to have the resolutions of political conventions put in here?

Mr. BECKER. This is all necessary, I think, to explain the course of events and the reason why things were done and to take away the unjustifiable inferences that counsel has sought to draw from the situation.

Senator REED. I do not know what this resolution is, Mr. Chairman, but——

Senator OVERMAN. Let me see it.

Mr. BECKER. Here it is. [Handing paper to the chairman.]

Senator REED. But I submit that if it does go in——

Mr. BECKER. That was the resolution that blew Hearst out of the water as a candidate for governor.

Senator REED. I submit that if that sort of thing were to go in, then the whole political proceedings of the State of New York might become pertinent.

Mr. BECKER. They have pretty nearly all gone in, thanks to the cross-examination.

Senator REED. Oh, no. I just simply asked a few questions about whether there were certain gentlemen who were candidates, in order to get at your animus.

Mr. BECKER. I think counsel will recognize that he has asked about 300,000 questions concerning political matters.

Senator KING. I think it is unnecessary to have that colloquy.

Senator REED. It does not make any difference. I suppose.

Senator NELSON. I suppose the resolution has been published, anyway. Senator Reed.

Senator REED. I suppose it has, a hundred times; but it is a strange thing to bring in here.

Senator OVERMAN. Everybody knows that resolution has been published. I saw it myself.

Mr. BECKER. If everybody knows about it, we will pass it by.

On the 23d of July, the same day, in the afternoon, as I understand it, Arthur Brisbane called on Charles S. Whitman, who was the opponent of Mr. Lewis in the primary campaign, at the St. Regis Hotel; and on July 25, 1918, two days later, an attack in Mr. Hearst's Democratic Evening Journal appeared on the Republican candidate for governor, Merton E. Lewis, headed:

HAIL—THE GANG'S ALL HERE.

AND BEHOLD, IT WANTS MERTON E. LEWIS.

Why, in the opinion of Mr. Merton E. Lewis, is the old gang, each man with a tear in each eye, anxious to have him run for governor?

Why do Root, Barnes, and Elon R. Brown—Root, the trust Don Quixote; Barnes, the Sancho Panza; and Elon R. Brown Sancho's donkey—all want Lewis for governor?

Why have these men such hostility to Whitman?

On July 30 here is another, which contains a cartoon attack on Barnes and that eminent and admirable statesman, Mr. Root; Elon R. Brown, who was lately retired from the leadership of our senate full of legislative honors; and Attorney General Lewis, who was pictured as standing in front of Mr. Root's door, although, as a mat-

ter of fact, Mr. Root did not come out for Mr. Lewis in the campaign at all.

On July 31 the same *bete noires* of Mr. Hearst, Barnes and Root and the Wall Street machine, are shown taking a picture of Attorney General Lewis, pictured as a little boy sitting up on a chair holding in his lap a rum hound.

An editorial entitled "A little attorney general who would make a still littler governor."

On August 1 the rum hound again appears in the cartoon, with tag on his tail called "The liquor interests," and Attorney General Lewis is shown as a little boy; and in the background our great statesman, Elihu Root, is pictured in an attitude of I know what—it is beyond description.

While it is amusing, it is scurrilous.

It was the opinion of Attorney General Lewis that the intent was in this way for Hearst to support Mr. Whitman.

Right at this time, continuously, every day, paying no attention to politics—and I had nothing to do with the Lewis campaign even in the very slightest degree—I was engaged in the investigations that I was conducting. We proceeded to take the depositions of the different witnesses.

Senator REED. Were you a candidate then?

Mr. BECKER. Not yet. My candidacy was announced, I believe, on the 31st of July.

Senator REED. Right after that?

Mr. BECKER. Almost at the time——

Senator REED. You had the varioloid at that time, but had not broken out into the actual disease?

Mr. BECKER. No. You see, the whole situation developed some time after Mr. Roosevelt declined to run for governor.

It was in the fiery heat of that situation that these depositions were taken. I knew about the evidence, and it grew while we were in the course of taking it, and I consulted with Mr. Lewis about the matter, and we concluded, as there had been this specific challenge published in the Hearst papers defying the Attorney General to disprove any word in this statement, that this particular part of the mass of evidence bearing on Hearst, that we had taken, could properly be put into an affidavit which could be used and given publicity; not alone for the purpose of meeting the attacks that were being made on Mr. Lewis of this scurrilous character, but also for the equal purpose, or the far superior purpose, if you please, of enlightening the public as to something that we believed to be a matter of great interest to the public.

The depositions were taken. They were taken in the Humbert case because they were of importance in that case and, I believe, in the trial of the Humbert case, they will be presented in evidence in the French court, as I have read enough, in my opinion, from the records of the Bolo trial to show that the participation of Hearst in the matter, the use of laudatory articles of Hearst as an enterprising wedge toward the pacifist campaign, was the theory on which the Bolo case was tried, and on which, presumably, the Humbert case will be tried.

However, it did not seem to us that it was exactly proper to publish the depositions themselves—they being taken for the purposes of

Humbert case, which we thought at that time would be soon tried after that—in a political campaign.

So, at the same time, I prepared a series of affidavits based on those depositions, containing, as accurately as I could manage, the substance of them; and those affidavits which were not official records in the Humbert case, were used for the purpose we had of publicity at that time. That is all there is to this story. If that be treason, make the most of it.

Senator REED. Have you finished, Mr. Becker?

Mr. BECKER. Just a moment.

After the commencement of these hearings, the old Hearst methods of attack were again begun, and I wish to file with the committee an earlier and a later edition of the Evening Journal for December 23, 1918.

In the earlier edition there appear at the left, at the head of the editorial page, a picture of Mr. Lewis, then two pictures of Charles H. Jerome, and then a picture of me. And over the head of it it says: "Attorney General Lewis, Deputy Attorney General Becker, and their Convicted Felon"—which last the casual reader might suppose applied to me and if he compared Mr. Jerome's looks with mine as shown in that photograph, I do not think anybody could fail to think that I was the convicted felon. One thing I complain of is that any such snapshot photograph as that should be used as my picture, because it is libelous to my sense of personal dignity and beauty.

First it designates Attorney General Lewis, then Charles H. Jerome, ex-convict—this poor chap who has to be paraded in the papers again, and who can not be allowed to rest in peace——

Senator REED. Or given a job.

Mr. BECKER. Then "Deputy Attorney General Alfred L. Becker, tool of Attorney General Lewis in the malicious effort to besmirch the reputation of Mr. Hearst."

In a later edition, evidently discovering an ambiguity about it, they moved my picture over in better company, next to Mr. Lewis. [Handing to committee newspapers referred to.]

I stated, during the first part of my cross-examination, that I anticipated that this would happen, and it has happened.

Senator REED. Do you, in making these statements, claim to represent in any way Mr. Lewis?

Mr. BECKER. No.

Senator REED. Now, were you through?

Mr. BECKER. Yes, sir.

Senator REED. I want to ask you a question which I omitted. I shall not refer to this statement.

When you took the affidavits and depositions, there were some pictures attached which are referred to in the affidavits as exhibits, I think as Exhibits 1, 2, and 3?

Mr. BECKER. Yes.

Senator REED. And they are referred to in the depositions, I believe, in the same way?

Mr. BECKER. They are loose around here somewhere. What has become of them? Here they are.

Senator REED. Please hand them to me.

Mr. BECKER. Here they are—1, 2, and 3. [Handing photographs to Senator Reed.]

Senator REED. I am inquiring, now, about the pictures that were attached to the original affidavits that Mr. Musica took, and which you said were detached from those affidavits. Are these papers which you have handed me those same pictures that were attached to the original affidavits?

Mr. BECKER. No.

Senator REED. They are not?

Mr. BECKER. They are identical, except that they are different prints. That is what I mean.

Senator REED. Were the pictures that were attached to the original affidavits photographs like these are, or were they newspaper prints?

Mr. BECKER. They were the same ones, exactly.

Senator REED. They were identical with the ones which you have now handed me?

Mr. BECKER. Yes.

Senator REED. And the ones which you have now handed me—that it will appear in the record—are photographs?

Mr. BECKER. One of them is an original photograph. The Bolo ones are photographs taken from magazines.

Senator REED. Exactly. Which is the original photograph?

Mr. BECKER. That is plain to the eye. I am just judging by the eye.

Senator REED. I am asking you to tell which ones they are, so that I can identify them and offer them in evidence.

Mr. BECKER. This one, the picture of von Bernstorff, is taken directly from the negative.

Senator REED. The one of von Bernstorff, you say, is an original picture?

Mr. BECKER. Yes.

Senator REED. We will have that marked, now, as an exhibit.

Mr. BECKER. It is marked on the back.

Senator REED. It is marked on the back. "Exhibit 3, W. B. F. I will ask the reporter of the committee here to initial it.

(The reporter thereupon initialed the photograph on the back, "F. R. H.")

Senator REED. There still remain two other pictures, which are both pictures of Bolo. Is that right?

Mr. BECKER. Yes.

Senator REED. These pictures of Bolo Pasha are not original photographs, but are photographs of a newspaper or magazine picture, are they not?

Mr. BECKER. They were taken from some French periodical in each case.

Senator REED. Let them be initialed, now, by the reporter. One of them is marked "Exhibit 1, S. B. stenographer," and the other is marked, "Exhibit 2, S. B. stenographer." I will ask the reporter of the committee to initial these also.

(The reporter thereupon initialed each of the photographs on the back, "F. R. H.")

Senator REED. Who was it that had the French magazine or newspaper in which these pictures had appeared photographs of the picture that you obtained these photographs of the picture?

Mr. BECKER. I directed it to be done.

Senator REED. In what French newspaper or magazine did you find the pictures?

Mr. BECKER. I think one of them was in L'Illustration. As to what the other one was in I do not recall.

Senator REED. Which one do you think was in L'Illustration? Describe it by number?

Mr. BECKER. I think it was No. 2.

Senator REED. You think it was No. 2?

Mr. BECKER. I may be wrong about that. When you check it up, you may find that I am mistaken about that.

Senator REED. What was the other picture in?

Mr. BECKER. I do not remember that.

Senator REED. Can you not give us any idea? The one that you are uncertain about is the one that shows Bolo Pasha at the bar?

Mr. BECKER. Yes. It may have been the one that was in the French paper; but I think it was the other.

Senator REED. All that you can be certain about is——

Mr. BECKER. Let me see it. I think I have one way of guessing it. I will guess for you. That is all I can do.

Senator REED. All right.

Mr. BECKER. I shall have to withdraw that, about it having been in L'Illustration. I think each of them was in a French newspaper. You see the photograph shows signs of a fold there. I think each of them was in a French newspaper, that was folded.

Senator REED. What French newspaper?

Mr. BECKER. I could not tell you that.

Senator REED. Who did the photographing for you?

Mr. BECKER. I do not know who the photographer was.

Senator REED. Whom did you send on the errand to have the photographing done?

Mr. BECKER. I could not even tell you that.

Senator REED. Was it Musica?

Mr. BECKER. No; I am pretty sure it was not. I had other assistants that I would usually send for such things as that.

Senator REED. What photographic company usually does your work?

Mr. BECKER. It is a place on the corner of Broadway and Chambers Street, upstairs. Underwood, is it?

Senator REED. I do not know.

Mr. BECKER. I think it is Underwood.

Senator NELSON. Does not the back of the photograph show, Senator Reed?

Senator REED. No; it does not, Senator. It is blank.

Now, Mr. Becker, were these pictures, in your judgment and best opinion, taken by Underwood?

Mr. BECKER. Oh, no. I would not be responsible for that. There is no use in trying to guess about it, I suppose.

Senator REED. As a matter of fact, you got hold of a French newspaper or a French magazine that contained these pictures, and you turned that over to somebody in your office whose name you can not now place, and who went and had it photographed, and you think likely at Underwood's?

Mr. BECKER. That is about right. That is as closely as I can come to it.

Senator REED. Is there any way that you can ascertain what French newspaper or magazine you used as the original of these exhibits—Exhibits 1 and 2?

Mr. BECKER. I think it would be very difficult. I had the hardest time in the world to get possession of files of French papers. I tried to get all that I could find in any of the French newspapers bearing on Bolo Pasha.

Senator REED. When did you begin that search?

Mr. BECKER. About October or November, 1917, and I have been doing it ever since—

Senator REED. You were conducting an investigation for the French Government. Do I understand that you want the committee to understand that the French Government could not get plenty of pictures, real, genuine, good pictures, of Bolo Pasha?

Mr. BECKER. They could have done it very easily. I never thought of it. It never occurred to me to make that request.

Senator REED. What?

Mr. BECKER. I did not make the request. I wish you had been there, because that would have been such a good way to do it.

Senator REED. It would have been so obvious that I should have thought even Musica might have thought of it.

Mr. BECKER. Well, it takes a Senator to think of some things.

Senator REED. That is true; they can think of some things that other people can not; but that is a perfectly obvious thing to have done, is it not? Anybody could have thought of that?

Mr. BECKER. Well, I will tell you. I admire the French people, but I used to send over there for various things, and would usually get them about four or five months later. Probably that is the reason that I did not do it. I never knew anything as slow as the tape of the French foreign office in my life.

Senator REED. Can you tell us the date of the newspaper or publication in which the picture appeared which shows Bolo Pasha at the bar?

Mr. BECKER. No; but it unquestionably was in February.

Senator REED. 1917?

Mr. BECKER. 1918.

Senator REED. 1918?

Mr. BECKER. Yes.

Senator REED. I am going to ask you, now, if you will make inquiry at your office and endeavor to produce and send to the chairman of the committee the original paper or the magazine which contained these photographs which you have produced as Exhibits 1 and 2.

Mr. BECKER. I should be very glad to oblige, but I am pretty busy and I would not like to bother with so trifling a thing unless I am directly requested by the chairman of the committee to do it.

Senator REED. I ask the chairman of the committee to ask for those papers.

Senator OVERMAN. We would be very glad if you could do it, Mr. Becker.

Mr. BECKER. Yes; I will try.

Senator REED. All right.

Mr. BECKER. I will say that one of those photographs appeared, also, in an American newspaper—in several of them—but I think I got it out of a French one.

Senator REED. Which one appeared in an American newspaper, and in what American newspaper?

Mr. BECKER. To the best of my recollection, this one of Bolo Pasha at the bar appeared in some American newspaper or other.

Senator REED. Do you remember what paper it was?

Mr. BECKER. I think it appeared in several. I saw it in several ones. What ones I do not know.

Senator REED. That is Exhibit 1; Pasha at the bar.

Mr. BECKER. Yes. I think the other one appeared in some American newspaper, too.

Senator REED. When you say the other one, you mean Exhibit 2?

Mr. BECKER. Yes.

Senator REED. You do not know what American newspaper it appeared in, do you?

Mr. BECKER. No; I can not say.

Senator REED. Did you get an American newspaper and have it photographed in order to get these Exhibits 1 and 2, or was it a French newspaper?

Mr. BECKER. I have said that I am very sure that one of them came out of a French newspaper, and I still think it is out of a French newspaper.

Senator REED. But you can not remember the name of the paper?

Mr. BECKER. No.

Senator REED. I want to know, when you were getting the Fredriksen affidavit, when his affidavit was first taken by Mr. Musica, if he was shown these particular pictures that you have shown here marked "Exhibits 1, 2, and 3," or if he was shown other pictures at the same time?

Mr. BECKER. He was shown some other pictures besides those. He was shown those, I happen to remember.

Senator REED. He was shown those particular pictures—Exhibits 1, 2, and 3—and additional pictures. What other pictures?

Mr. BECKER. I had a whole picture gallery of German celebrities, and I remember that I had shown him also the photographs of Boy-Ed and von Papen. I think that was all; but I think I had some others.

Senator REED. And you asked if he had ever seen Boy-Ed or von Papen?

Mr. BECKER. If that would refresh his recollection.

Senator REED. Did you get Boy-Ed's and von Papen's pictures in the same way you got Bolo Pasha's, by photographing magazine pictures, or did you have photographs?

Mr. BECKER. My recollection is that we bought them as we did the Bernstorff photographs, from somebody who deals in those.

Senator REED. In photographs. When you showed him the Boy-Ed and von Papen pictures he was not able to identify them?

Mr. BECKER. No.

Senator REED. You told them that they were Boy-Ed's and von Papen's, and asked them if they could identify them?

Mr. BECKER. I asked him if he could identify them. I had them with me at the session in August, but I think they were there on the previous occasion.

Senator REED. On the previous occasions you were present with Mr. Musica and talked with these persons whose affidavits he took at the first instance?

Mr. BECKER. No.

Senator REED. Do you know what pictures he showed them?

Mr. BECKER. I know what ones were attached to the affidavits.

Senator REED. And they were the same pictures that were produced here?

Mr. BECKER. That is my recollection.

Senator REED. These identical documents?

Mr. BECKER. I have said "no" to that. They were not the same prints, but ones exactly the same, to the best of my recollection.

Senator REED. I did not understand you to say "No."

Mr. BECKER. The record will show that that is what I did say.

Senator REED. I want to get it right. The pictures that Mr. Musica had attached to the first affidavits he took were not the particular pieces of paper that are here now, but are an exact duplicate of these here. Is that what you mean to say?

Mr. BECKER. Yes; to the best of my recollection, subject to correction if that is not correct.

Senator REED. I would like to call Mr. Morse. He is a busy man, and I am through with this witness.

TESTIMONY OF MR. PERLEY MORSE.

(The witness was sworn by the chairman.)

Senator REED. Your name is Perley Morse?

Mr. MORSE. Yes, sir.

Senator REED. And your residence is in New York City?

Mr. MORSE. Yes, sir.

Senator REED. And your profession is what?

Mr. MORSE. I am a certified public accountant.

Senator REED. Were you engaged at one time in investigating the fiscal transactions of Bolo Pasha, taking it through some of the banks?

Mr. MORSE. Yes, sir.

Senator REED. You are the man who has been referred to in the testimony as the man who put together the evidence which formed the strongest link against Bolo Pasha—that is, by bringing in the bank accounts and showing their connections?

Mr. MORSE. Yes, sir.

Senator REED. When were you first employed on that work?

Mr. MORSE. My first employment was due to a letter which I received from Attorney General Lewis under date of September 2, 1917, and I commenced work immediately afterwards.

Senator REED. I have not talked with this witness, and I am going to say to him that if there is any matter that he thinks ought to be stated to the committee, that I do not inquire about, he has entire liberty to make the statement, as far as I am concerned.

How long was it before you concluded that investigation of the fiscal transactions?

Mr. MORSE. My report was rendered to the attorney general under date of September 21, 1917.

Senator NELSON. You were not a long time at it?

Mr. MORSE. No, sir; I have a large organization, Senator, and I employed a great many men.

Senator REED. Was that report in writing, Mr. Morse?

Mr. MORSE. Yes, sir.

Senator REED. As you originally filed it with Attorney General Lewis, did you ever withdraw it or any part of it and change it?

Mr. MORSE. No, sir.

Senator REED. Is there a statement in that report to the effect that Boy-Ed and von Papen were at a dinner with Mr. Hearst?

Mr. MORSE. No, sir.

Senator REED. The statement, then, that you afterwards changed your report putting in the names of these men, and that your first report did have them in, is incorrect?

Mr. MORSE. Yes, sir; and it has to be so, Senator, because I have only made four copies of this report, three of which were delivered to the Attorney General for his disposal, and the fourth copy, which we call our proof-reading copy, is here in my hands; and I think that if the reports I rendered to the Attorney General are compared with his, you will see they are all the same.

Senator REED. I wish you would turn to that clause in your report which makes a reference to that dinner and read it.

Mr. MORSE. It is one paragraph in the report. It reads as follows:

In the New York branch of the Royal Bank of Canada I interviewed one E. C. Pignatel, an employee of this institution, who, I was told by a Mr. McKinney, also of this bank, was very familiar with all of the details surrounding the transactions of Bolo Pasha. Mr. Pignatel said to me that he knew Bolo Pasha before these transactions had taken place, and had been very friendly with him, and had had a great many private and confidential talks with him; but he always supposed that Bolo Pasha was here in the interest of promoting anti-German sentiment in favor of France, and to this end he was trying to convert William Randolph Hearst, who he thought was pro-German; that a very notable dinner was given at Sherry's one time, at which William Randolph Hearst, Bolo Pasha, and others were present.

Senator REED. This statement, as you have just read it, is as it was in your report first, last, and all the time?

Mr. MORSE. Yes, sir.

Senator REED. During the time that you were investigating the Bolo Pasha case—let me ask you this question preliminarily: When you got through with the Bolo Pasha case, were you afterwards called in in the Humbert case in any way?

Mr. MORSE. Why, the Bolo case and the Humbert case were run together, in a way, because in investigating the Bolo Pasha matter I found that certain funds had been transferred from the Bolo Pasha fund to the Humbert accounts in the offices of one of our bankers in New York City, and I called the attention of the Attorney General to this, and he told me to investigate as to the Charles Humbert matter as it was called, and I did so, and made a report to the Attorney General on that matter under date of October 7, 1917.

Senator REED. In that report of October 7, 1917, is there any statement to the effect that Boy-Ed and von Papen were at a dinner with Mr. Hearst?

Mr. MORSE. No, sir.

Senator REED. There never was any such statement in it?

Mr. MORSE. No, sir.

Senator REED. When did you begin work on the Humbert case? believe you said you made a report October 5?

Mr. MORSE. October 5.

Senator REED. Was that the date of the report or the date it began?

Mr. MORSE. That is the date of my report. We commenced work on the case—I can tell by referring to a memorandum I have here—probably some four or five days prior to that.

Senator REED. During the time you were investigating these cases or either of them, did you come in contact with Mr. Becker?

Mr. MORSE. Practically after finishing the Bolo Pasha investigation.

Senator REED. In what way did you come into connection with Mr. Becker?

Mr. MORSE. In making our investigation of the Bolo Pasha matter we recommended the examination of certain witnesses, and some of those witnesses were represented by a lawyer whom I knew very well—a lawyer whom I used to meet at the Lawyers' Club in New York City, and one day while we were engaged in the investigation he said to me, "You are very busy nosing around among my clients."

Senator KING. I do not think that is material.

Mr. MORSE. I am leading up to something, Mr. King.

Senator KING. Cut it short.

Mr. MORSE. I am trying to make it short, as I am just as anxious as you to get through and go home.

I did not express any opinion. He says, "You are making an examination of G. Amsinck."

Mr. BECKER. You mean Reperti. Amis was dead.

Mr. MORSE. I mean G. Amsinck & Co., the firm.

He says, "When you want to take their depositions you will have to subpoena Mr. Pavenstedt. He will come as a willing witness, or as one in G. Amsinck & Co.'s office whom you want." So I remember that conversation, and after we were ready to take depositions of the gentlemen Mr. Albert C. Morse and myself had a conversation with this lawyer in the Lawyers' Club at that time. He outlined all of the testimony that Mr. Pavenstedt would give, so when it came to the matter of taking the depositions Mr. Becker was sent for by Attorney General Lewis, and he came down to New York and conducted the examination. Mr. Pavenstedt, I may say, was a willing witness. His lawyer was there to guarantee that he was going to tell the truth.

Senator REED. Who was the lawyer?

Mr. MORSE. His name was Joseph Proskower.

Senator REED. And Pavenstedt in this deposition which he voluntarily and willingly gave furnished the connecting links in the testimony against Bolo Pasha?

Mr. MORSE. Yes, sir.

Senator REED. And Pavenstedt was a German and has been interned, has he not?

Mr. MORSE. Yes, sir.

Senator REED. So that Pavenstedt, the German, now interned, voluntarily furnished the evidence to you that connected the Bolo Pasha fiscal transactions up with the German Government?

Mr. MORSE. No; he only corroborated it, Senator.

Senator REED. Corroborated it. He corroborated it and furnished a link; or, if he did not furnish a link, he was a witness that helped furnish it.

Mr. MORSE. Because I have in my report the exact connecting up of this money with the German Government. I have photographs that I took of the transactions at the time.

Senator REED. Then Pavenstedt, however, gave the material testimony which bore out the book evidence which you had obtained?

Mr. MORSE. Yes, sir.

Senator REED. Pavenstedt was the man who had come over to see Count von Bernstorff, was he not?

Mr. MORSE. He came over from New York to Washington to see him; yes, sir.

Senator REED. He was the go-between between Bolo Pasha and Count von Bernstorff, in the first instance?

Mr. MORSE. Yes, sir.

Senator REED. Now, Bolo Pasha went home after he had gotten this money, and you found—did you find out what became of the money?

Mr. MORSE. Yes, sir.

Senator REED. What had Bolo Pasha done with this money?

Mr. MORSE. Some of it he had transferred to Senator Humbert, a few dollars to one Jules Bois, and the rest of it he had transferred over to France to certain banking institutions.

Senator REED. Had part of it gone into a munitions factory?

Mr. MORSE. No, sir; the records did not show that.

Senator REED. That was the testimony of Mr. Becker, as I remember it. No part of it was traced to any German use?

Mr. MORSE. Not on its face.

Senator REED. Not on its face. Now, this money having been obtained from Count von Bernstorff by Bolo Pasha and taken back to France and not used—on its face, at least—for any German purpose, Mr. Pavenstedt, the German, voluntarily furnished evidence against Bolo Pasha, and that evidence tended to show that Bolo Pasha had been handling German money?

Mr. MORSE. His evidence showed it, as well as our report.

Senator REED. Very well. During the time that you were engaged in this work, did you come into contact with a gentleman named Johnson or Musica?

Mr. MORSE. After the investigation was finished I met a man who was introduced to me under the name of Johnson.

Senator REED. By whom was he introduced to you?

Mr. MORSE. Mr. Becker.

Senator REED. Is that the man you know now as Musica?

Mr. MORSE. Yes, sir.

Senator REED. Did you ever have any conversation with Mr. Musica in regard to these cases or in regard to Mr. Hearst?

Mr. MORSE. Well, I may say, Senator, that I withdrew from this matter after I had finished my report and had attended several hearings. I think I withdrew the latter part of October, 1917.

Senator NELSON. Excuse me, Senator Reed. What caused you to withdraw?

Mr. MORSE. Well, Senator, I would not like to say that unless I am required to.

Senator NELSON. I will not press it.

Senator KING. You mean that you withdrew from examination of the Bolo Pasha and the Humbert cases?

Mr. MORSE. Yes, sir. I used very frequently to go to the Murrayhill Hotel to see Attorney General Lewis, and this man Musica used to hang around there a great deal, and whenever I saw him he used to speak to me, and he used to volunteer information as to what they were doing. I know at one time he told me—I think it was in July, 1918—that they had discovered that Mr. Hearst and Bernstorff and Bolo were friends, and that they used to come to Mr. Hearst's home on Riverside Drive. But, of course, I do not know anything about that, of my own knowledge; only what Musica told me.

Senator REED. Were you ever requested to come up there for the purpose of facing a man named Johnson, at the Murrayhill Hotel?

Mr. MORSE. Why, that is another Johnson, Senator.

Senator REED. I know that is another Johnson—Johnson, a newspaper reporter.

Mr. MORSE. Yes, I was asked to.

Senator REED. Who asked you to do that?

Mr. MORSE. First, Mr. Musica asked me over the telephone.

Senator REED. What was the conversation at the time, between Mr. Musica and yourself?

Mr. MORSE. It seems that this Mr. Johnson is—I had better call him by his full name so as not to mix him up with the other man—Severance Johnson. He was a man that had been connected with the Hearst publications for a long time, and I think he was city editor at that time, and Musica called me up one afternoon and he said they were examining Severance Johnson, and called me to come up and face him, because they might as well finish this man Hearst right away.

Senator REED. What was the term about Hearst? What did he call him?

Mr. MORSE. It is a name that is not pronounced in polite society.

Senator REED. Tell us the language as near as you can, and you can omit this language.

Mr. MORSE. "It is time that we land this ———— Hearst."

Senator REED. And he used—did he use the term in describing him that is always supposed to mean fight in this country?

Mr. MORSE. Unless you say it with a smile, Senator.

Senator REED. Did you have any talk with Mr. Becker about the same proposition?

Mr. MORSE. I think I got Mr. Becker on the phone right away after that and told him that I did not approve of those methods, and I believe that I met Mr. Becker that night or the day after, in the evening, and dined with him. I told him that those methods would not succeed, and he should not do those things. I think I told him that you could not do that way in New York and succeed; that New York people would not stand for it. Mr. Becker was from Buffalo.

Senator NELSON. Is Buffalo a bad place?

Mr. BECKER. It is the home of all wickedness and the source of all depravity, Senator.

Senator REED. In that conversation you had with Mr. Becker—well, I withdraw that.

I do not like to press it more, but was the occasion of your withdrawing from these cases the methods that were being employed by Mr. Becker?

Mr. MORSE. I will say this much, Senator, that I never liked his methods.

Senator REED. That is all.

Mr. BECKER. May I ask a couple of questions? I will be just as brief as possible.

Senator OVERMAN. I will let you ask a question; yes.

Mr. BECKER. Mr. Morse, there recently came up a question of the investigation of the Staats Zeitung. Well, I will withdraw that question.

The reason why Mr. Severance Johnson was originally called in by me was that you had told me something about what you believed Severance Johnson might tell about Hearst. was it not?

Mr. MORSE. No, sir.

Mr. BECKER. Did you not have a conference with me about Severance Johnson?

Mr. MORSE. No; I had a conversation with you, but I said that he would tell you nothing about Hearst. I did not say that.

If you will let me, I will refresh your recollection, as long as you have brought that up.

Mr. BECKER. Yes.

Mr. MORSE. I met you at the——

Mr. BECKER. At the Republican Club, was it not?

Mr. MORSE. No, sir; it was at the apartment of William Barnes. Does that refresh your recollection?

Mr. BECKER. Yes; that is right.

Mr. MORSE. And I said to you that Severance Johnson had resigned, and you said, "Yes; I knew that, because a man that I have on the American had already told me so"; and he immediately picked up the telephone in order that he be served with a subpoena. Now, that is all there is to it, and the truth of it.

Mr. BECKER. Then it is true that at the time, you suggested that by proper management something might be gotten out of Mr. Severance Johnson in regard to the inside management of the Hearst papers?

Mr. MORSE. Severance Johnson is my friend, and you know it.

Mr. BECKER. That is true. Now, is it not a fact that you and I were on friendly relations until, to my great astonishment, the question came up of the Staats Zeitung investigation, and I heard that you had declined——

Mr. MORSE. I refused to work with you.

Mr. BECKER. Yes.

Mr. MORSE. It is.

Mr. BECKER. And is it not a fact that when you were served with a subpoena—well, there were two points to that question. Had we not maintained friendly relations at least up to the time that you told me I had made a great mistake in calling Severance Johnson as a witness?

Mr. MORSE. Mr. Becker, I do not like in public to enter into a discussion of these affairs with you.

Mr. BECKER. I am asking you if we had not maintained friendly relations up to that time, and were on speaking terms, which apparently we are not now?

Mr. MORSE. I am on speaking terms with you.

Mr. BECKER. Well, that can be judged for itself. Did we not maintain friendly relations up to that time, at least?

Mr. MORSE. I was always friendly to you.

Mr. BECKER. That is, so far as anybody knew.

Mr. MORSE. I was always friendly to you.

Mr. BECKER. Is it not also a fact that when you were served with a subpoena to appear here, you went to consult with Attorney General Newton as to what had better be your course of conduct?

Mr. MORSE. I did.

Mr. BECKER. And he advised you to consult with me, and you declined to do it?

Mr. MORSE. I did.

Mr. BECKER. Since that matter has come up in this way, and has raised the suspicion that some of the personal attacks on me are traceable to you, I would like you to tell me something that is absolutely unknown to me, here in public, and that is the reason for your sudden declination to have anything to do with me, which certainly did not exist for a long time. Now, it was reported to me by Mr. Lewis that you had stated to him that the trouble was that I had, as he expressed it, said something unpleasant about you to some Government department at Washington. Please tell me if that is what you said to him, and what the fact of the matter was?

I do not propose to have my character assassinated for the cause of a personal grudge, the real cause of which is totally unknown to me.

Mr. MORSE. Mr. Becker, I am quoting from my diary under date of October 20, 1917.

Mr. BECKER. Yes.

Mr. MORSE (reading):

Mr. Morse determined Alfred L. Becker could not be trusted, and that he not care to work with him any longer, inasmuch as sooner or later he would bring us into trouble.

That is a copy of my diary.

Mr. BECKER. Then, in spite of your maintenance of friendly relations with me from October 20, 1917—surface friendly relations—down to at least October 18, all the time you carried in your heart a feeling of that kind toward me?

Mr. MORSE. Mr. Becker, I do not like to go into these things in public. If you insist on my doing it, if you want to do that here, I am perfectly willing; but I would not like to do it.

Senator OVERMAN. I do not think we ought to go into those things.

Mr. MORSE. I do not think we should.

Senator OVERMAN. I do not see what it has to do with this investigation.

Mr. MORSE. I do not think it has anything to do with it. I think every man has a right to choose his own company, and if he does not want to associate with ex-convicts he has a right to refuse to do so.

Senator OVERMAN. That draws in another question.

Mr. MORSE. If Mr. Becker wants to meet me personally I will explain to him, but I do not think it is proper to explain in public unless he wants it.

Mr. BECKER. We will sit down and do it at once, because I am entitled to an explanation.

I would like to have your answer on the record, because, while I care nothing about the attacks that were made during the cross-examination, this production of this witness here, who I have discovered for the first time recently, had a grudge against me, for the purpose of trying in some subtle and insinuating way to destroy me, is something that I do take seriously.

Senator OVERMAN. Suppose you ask your question and let him answer it.

Mr. BECKER. I have just this one question to ask: Did you or did you not tell Mr. Lewis, the attorney general, as he told me, that your reason for not wanting to have anything to do with me in the Staats-Zeitung investigation was that you had found out that in some way or other I had run you down with some Washington department, or something to that effect?

Mr. MORSE. Must I answer that?

Senator OVERMAN. Yes.

Mr. MORSE. Mr. Becker, I warned Attorney General Lewis against you away back in October, and also other friends of his warned Attorney General Lewis against you at that time.

Mr. BECKER. Please read the question to the witness.

Senator REED. Now, I submit that that question could not have any possible bearing on this matter.

Senator OVERMAN. Not a bit in the world.

Senator REED. It is simply an attempt on the part of Mr. Becker—

Senator OVERMAN. I allowed him to ask the question, and now let the witness answer it.

Mr. MORSE. I prefer, with your kind permission, not to continue his examination.

Senator OVERMAN. We will allow it for this one answer, but then it must stop. Did you tell Mr. Lewis that? Answer the question.

Mr. BECKER. I would like to have the question read.

The question was repeated by the stenographer, as follows:

Mr. BECKER. I have just this one question to ask: Did you or did you not tell Mr. Lewis, the attorney general, as he told me, that your reason for not wanting to have anything to do with me in the Staats-Zeitung investigation was that you had found out that in some way or other I had run you down with some Washington department, or something to that effect?

Mr. MORSE. I did not tell Mr. Lewis that at that time. I did tell him something of the kind, I think, in November, 1917. Now, if I must tell the story about this Staats-Zeitung case, I will; but I prefer not to do it.

Senator OVERMAN. No; I just asked you to answer that one question.

Senator REED. I think the witness is perfectly warranted in telling anything that he wants to, after that question, which could only have one purpose in the world.

Senator OVERMAN. If you want to explain why you told him that, think you might do it.

Senator REED. Mr. Morse, did you have some occasion to examine into some of the accounts of Mr. Musica, in some of your capacities?

Mr. MORSE. No, sir.

Senator REED. To refresh your recollection, I will ask you if you had some occasion to examine—I think this is the item [handing photograph to the witness]?

Mr. MORSE (after examining document). Why, Senator, I think I know something about this case, but I do not know anything about this account. This is the first time I have ever seen this.

Mr. BECKER. May I see it, Mr. Morse?

(The photograph in question was here examined by Mr. Becker.)

Senator REED. I will ask you this question, Whether or not in your examination of accounts in any of these cases you ran into the fact that Mr. Musica had been in the habit of getting some money that he was not entitled to?

Mr. MORSE. Well; I can not say that, for this reason: That is the first I have ever seen of that voucher, this minute. I know what the case is about. I say this, though, I am surprised that he got \$100.

Senator REED. You do know what the case is about?

Mr. MORSE. Yes, sir.

Senator REED. The document I have been reading from I want to put into the record, and then I am through. [Reading:]

To: Alfred L. Becker, State of New York.

Alfred L. Becker, Assistant Attorney General, Murrayhill Hotel.
For expenses.

November 1, William Johnson, voucher attached, \$100.15.

Senator OVERMAN. Is that all?

Senator REED. That is all.

Senator KING. There is another gentleman here who wanted to testify.

Mr. DICKINSON. Whenever it will suit the committee. I could possibly get through this afternoon.

Senator NELSON. Who is he?

Senator OVERMAN. Mr. Dickinson. We will be glad to hear Mr. Dickinson, but we can not hear him this afternoon. If he wants to make a statement we will hear him, but it takes two or three hours for anybody to make a statement.

Mr. DICKINSON. I hope that I will have at least that time.

Senator OVERMAN. You will be heard, sir.

Maj. HUMES. Before the committee adjourns I want to make a motion.

This committee, when it organized to proceed with this investigation, took the position that the most feasible way to promote the investigation would be by producing persons from the various departments of the Government who had engaged in these various investigations and ask them to produce the results of the investigation made by their respective departments, on the same theory that an expert accountant might be called to explain a set of books. That was followed. When Mr. Becker was called, as the result of that practice, neither the committee nor anyone else knew of the particular matters that were going to be brought before the committee. It was the explanation of a set of books, in substance. In that examination

of Mr. Becker, or in his statement, he produced a number of affidavits relative to the relations that existed between Bolo Pasha, Ambassador Bernstorff, and Mr. Hearst.

At the conclusion, or during his examination and while he was presenting these matters, he made the statement that those affidavits themselves did not sustain the charge that was under investigation, in so far as it affected Mr. Hearst, and were insufficient to support the charge. Now, this examination has gone on from that time, and cross-examination, until I suppose there would be a thousand pages of the record of the work of this committee devoted to those affidavits and to the examination and cross-examination of Mr. Becker thereunder.

It is my opinion that the report of this committee will be a valuable reference book for the people of this country because of the information that it contains and will contain. It is only lumbered up with a lot of extraneous matters, affidavits, in the first place, that the sponsor admits do not support the charge that was under investigation, followed by the trial of murder cases and the trial of a personal dispute between an accountant and Mr. Becker, and I therefore make the motion that the record be purged by striking from the record and not printing in the record the cross-examination that has been conducted and the affidavits that were presented by Mr. Becker in connection with his testimony, that have been the basis of the cross-examination; and I suggest that, in order that this committee may preserve at least the dignity of its own record.

Senator KING. Mr. Chairman, that matter, obviously, requires a good deal of consideration.

Senator OVERMAN. Yes; of course.

Senator NELSON. That ought to be considered in executive session. We can not take that matter up to-night.

Senator REED. I am much obliged to the gentleman for his intimation that my cross-examination is utterly worthless.

When a man goes so far afield in the matter of evidence that he will put a witness on the stand to produce affidavits that reflect upon a citizen of the country, and yet, as the witness does say, that does not prove anything, and then that gentleman objects to a cross-examination to throw light on the character of the affidavits and the way they were obtained, if that is the position of this gentleman, I think the committee needs a new counsel.

Maj. HUMES. I think the Senator entirely misunderstood me. The cross-examination is certainly worthless on the record if the affidavits are not a part of the record, because the affidavits are the basis of the cross-examination. They must stand or fall together. I have made no objection of any kind on the record; I have made no complaint of any kind; but I frankly admit to the gentleman that with the affidavits in the record he is entitled to the cross-examination in the record that has been conducted, but with the affidavits out of the record then the cross-examination ought to fall with the affidavits.

Senator REED. But, my dear sir, your witness went on and told the substance of these affidavits, gave his conclusions from these affidavits, and it was equally as bad as the affidavits. I do not care to discuss a question of that kind.

Senator OVERMAN. We will stand adjourned until half past 10 Tuesday. I want an executive session at half past 10, and witnesses will come at 11 o'clock.

(Thereupon, at 5.20 o'clock p. m., the subcommittee adjourned on Tuesday, January 14, 1919, at 11 o'clock a. m.)

(The following affidavits of Louis N. Hammerling and accompanying papers, ordered inserted in the record, are here printed. follows:)

STATE OF NEW YORK,

County of New York, ss:

I, LOUIS N. HAMMERLING, of New York City, being duly sworn, depose and say:

I have read the stenographic copy of the testimony of Arthur Gabryel Frank Zotti before a Sub-Committee of the Committee on the Judiciary of United States Senate, on the 4th day of December, 1918.

When Gabryel testified that, in requesting him to go to Bethlehem, in connection with the gathering of information for the proposed advertising known as the "Appeal," I told him to "spare no expense" and to "bring me back data there, whether they are satisfied with the working conditions, the wage earning, what they are earning per week," etc., he states what is definitely false, and such testimony can not be supported by any of the employees who went elsewhere upon similar missions and whose testimony was not requested before the Judiciary Committee, affidavits from which, however, are filed with the Committee concurrently herewith.

Gabryel's testimony with reference to the "Appeal" advertisement that told me "Why, Mr. Hammerling, it is an open secret among the Poles in New York that you are supplied by the Austro-German Government," that in my office, in the presence of Miss Leffler, he said "That is all I hear among Polish people here in New York, that you are being paid by the Austro-German Government" and turned to Miss Leffler and asked her if she had said anything to her sister Margaret, and she had replied "No," and that he said "Arthur, whatever you know, keep your mouth shut. Whatever people do not know will not hurt them" is merest fiction, not a word of it being true is verified in part by the affidavit of Bertha W. Leffler, filed with the Judiciary Committee.

Arthur Gabryel never received a dollar from me or the Association as bonus other than his pro rata share of any bonuses which may have been given by the Association either at Christmas time or at Easter time and Christmas time, in accordance with the policy of the Association for years in recognition of faithful service of employees. His testimony that he received "as high as \$2,000" is utterly untrue, as he never received that sum as a bonus from the Association in his life, nor anything approaching it, and when he stated that he was getting money every month or every second month, I didn't know what for," and that "when my girl was born, Hammerling paid the bills, without my asking him, so that I do not know what I got the money for," he simply states what he knows is a shameless falsehood. When his child was born I asked me to loan him \$100, which I did and was never repaid.

The whole tenor and most of the statements by Gabryel about the treatment by the Association of advertisers, the alleged improper advantage taken by Foreign Language Newspapers, the unconscionable profits made out of advertisers, is utterly false and unjustified by the ten years of close business relationships between the Association and many of the largest national advertisers of the Country.

The animus and motives of Gabryel are apparent; the accomplishments of the Association, as between the large advertisers and the more than 700 Foreign Language Newspapers, speak for themselves.

The purposes and methods of the American Association of Foreign Language Newspapers, as testified to by Frank Zotti, are stated as maliciously and improperly as it is possible to express them.

Zotti testified that I had endeavored to purchase the *Il Progresso Italiano* and that "Mr. Barsotti told me himself that Hammerling was trying to buy his paper for German purposes and had offered him a million dollars." This is untrue in every respect, and I notice that Mr. Barsotti's Manager of *Il Progresso Italiano*, formally denied the Zotti testimony in the December 6, 1918, issue of the New York Tribune.

Zotti testified that owing to my connection with the Food Administration had attempted unfair tactics with the "Ward's Tip Top Bread" people in New York. The President of the Ward Baking Company, George S. Ward, issued a letter under date of Wednesday, March 20, 1918, in which, referring to a similar statement in Zotti's Narodni List of January 31, 1918, he said "In times past the writer has placed advertisements in Foreign Language Newspapers through Mr. Hammerling and have occasionally advertised in his publication known as the American Leader, but we have never at any time had any controversy with him about anything. We therefore wish to repudiate the statements contained in the editorial in the Narodni List of January 31st." In his loose defaming way, Zotti, in his testimony, stated that "Hammerling became a Director in the Savoy Trust Company through the machinations of Mr. Cummings who was sentenced to seven years in the State Prison at Sing Sing and Mr. Reichmann who was also sentenced." Neither Mr. Cummings or Mr. Reichmann had anything to do with my becoming a Director of the Savoy Trust Company. I was a depositor long before I had the slight acquaintance which I later had with these men.

LOUIS N. HAMMERLING.

Sworn to before me this 12th day of December, 1918.

[SEAL.]

HARRIES A. MUMMA,
Notary Public, New York County, No. 220;
New York Co. Register's No. 10014.

My commission expires March 30, 1920.

STATE OF NEW YORK,
County of New York, ss:

I, Bertha W. Leffler, of New York City, being duly sworn, depose and say: I have read that portion of the stenographic minutes of the hearing before the Committee on the Judiciary of the United States Senate, held Wednesday, December 4, 1918, wherein Arthur Gabryel testified that in my presence Mr. Hammerling inquired from Mr. Gabryel on an extension wire with reference to alleged reports from the Street that Mr. Hammerling was being paid for the so-called "Appeal" by the Austro-German Government, also that he, Mr. Gabryel, came in to Mr. Hammerling's office while I was there and in my presence said "That is all I hear among the Polish people here in New York, that you are being paid by the Austrian-German Government," and that Mr. Hammerling also said "Arthur, whatever you know keep your mouth shut. Whatever people do not know will not hurt them," and that Mr. Gabryel sat for a while talking with me and asked "Isn't it true?" and that I was reported not to admit or deny it.

Every word of the foregoing testimony by Arthur Gabryel is rank perjury. No such conversation ever occurred in my presence, nor were any references of the sort at any time ever made by Mr. Gabryel to Mr. Hammerling either in my presence or within my knowledge.

Mr. Gabryel also testified that he was getting \$500 or \$1,000 "every month, or every second month, I didn't know what for. At Christmas time I got as high as \$2,000." At the time in question I was either Treasurer or counter-signed every check or disbursed all moneys of the Association. Mr. Gabryel never in his life received from the Association so high a bonus as \$2,000; he never received a bonus of any kind to my knowledge except as all employees received bonuses in accordance with the policy of the Association to distribute bonuses either annually or semi-annually at Christmas time or Easter time and Christmas time, such bonuses being pro rated according to salaries. Furthermore, Mr. Gabryel never received such substantial sums as he indicated. When he testified that he did "not know what I got the money for" he testified to what he knew was false, as he was perfectly familiar with the policy and system of bonus distributions, as recognition for devoted service, based upon salary, to employees who had been in the employment of the Association for at least one year.

SIGISMUND DATTNER.

Sworn to before me this 11th day of December, 1918.

[SEAL.]

HARRIES A. MUMMA,
Notary Public, New York County No. 220;
New York Co. Register's No. 10014.

My commission expires March 30, 1920.

STATE OF NEW YORK,

County of New York, ss:

I, Don S. Momand, Second Lieutenant, R. M. A., A. S. A., United States Army, being duly sworn depose and say: During the latter part of March or the part of April, 1915, I was told by Mr. Louis N. Hammerling, President of American Association of Foreign Language Newspapers, Inc., to go to Bronx, N. Y., where the E. D. Bliss Company was located and ascertain, as far as possible, the nationalities of the employees working for the above company.

An advertisement was to be published which was intended to be read by employees of the Company referred to and the purpose of my visit to Bronx was to find out in what languages it would be necessary to advertise in order to reach the employees of the Bliss Company. The expense for this trip was nominal, not over \$5.00, was paid by the Association.

DON S. MOMAND

Sworn to and subscribed before me this 5th day of December, 1918.

[SEAL.]

FRANK D. GARDNER

Notary Public, New York County, No. 3.

My Commission Expires March 30, 1919.

STATE OF NEW YORK,

City and county of New York, ss:

Leon Wazeter being duly sworn deposes and says: that he resides at 3758 Bronxwood Avenue in the City of New York and that for the last twenty years he was the editor and publisher of various American publications published in Polish and prides himself on the fact that such publications have been held by able judges to be models of proper form of Americanization.

Deponent has during the last twenty years made distribution of immigration and the so-called foreign labor problem in America, his especial study and to certain extent is considered an authority thereon. In this capacity he has frequently been called upon to make investigations and submit reports on various cities and communities where foreign born locate or reside, with various objects in view, the most important being in the interest of law and order. During the last ten years he has had more than forty such assignments.

To the best of deponent's knowledge, in the Spring of 1915 he was asked by some one in charge of the American Association of Foreign Language Newspapers, Inc., possibly Mr. Momand, to make a report on the nationalities represented in certain manufacturing plants in Philadelphia and some other places in the West, the name of which deponent does not now remember for the purpose of an advertising estimate which was then in course of preparation, but which he had no intimate knowledge. Deponent made the investigation and reported accordingly and was paid his expenses and time lost.

Deponent has been informed and from press reports of the testimony of Arthur Gabryel is led to believe that said Gabryel has falsified his testimony with respect to deponent and to many matters with which deponent is conversant and in this relation deponent says that for many months prior to leaving the employ of Mr. Hammerling, said Gabryel was planning to injure the character and business of his employer-benefactor and conspiring on various means of getting him to pay blackmail.

Deponent has known said Arthur Gabryel since he was a child and is able to say under oath that his reputation for veracity among those who know him have had dealings with him is not to be envied. On several occasions he has been accused of conversion of other peoples' money, including a society or organization of which he was a member.

[SEAL.]

LEON WAZETER

Sworn to and subscribed before me this 5th day of December, 1918.

FRANK D. GARDNER

Notary Public, New York County, No. 3.

My commission expires March 30, 1919.

STATE OF NEW YORK,

City and County of New York, ss:

Sigismund Dattner being duly sworn, deposes and says: that he resides at number 507 Seventy-eighth Street, Brooklyn, N. Y. That he was in the employ of the American Association of Foreign Language Newspapers for a number of years prior to 1915 and in the latter year was one of its Vice-Presidents.

In March or April, 1915, in the course of his employment, deponent was instructed by the President of the Association, Mr. Hammerling, to go to several towns—Bridgeport, Hartford and New Haven. if I remember right, and find out what nationalities were represented or employed in the factories there. in conformity with such instructions deponent did go as directed and reported verbally.

Deponent, though in close contact with Mr. Hammerling and the entire office force while there employed, never saw or even heard of von Bernstorff, Boy-Ed or von Papen ever having called at the office of the Association, or having called on the phone. Except for lunch or necessary relief, telephone operators were never changed on any especial occasion. Were such the fact it would have been spoken of or otherwise brought to the notice or attention of deponent. In this respect the published reports of Gabryel's testimony is without foundation in fact.

Having worked in the same office with Arthur Gabryel for years our relations were more or less intimate and my later unfortunate connection in business with him make me verily believe that he is unworthy of belief. From early Summer in 1915, during Mr. Hammerling's absence from the City, Gabryel was planning the establishment of a business in competition with that of Mr. Hammerling and to my great regret he induced me, by means of false information and a faked telegram which he said he received from Mr. Hammerling, to believe that I would soon lose my position with the Association. These misrepresentations induced me to resign my position and in February, 1916, to enter into partnership with Gabryel in an advertising agency business with an office in the World Building, on the same floor with one Frank Zotti, under the firm name of the Gabryel-Dattner Co.

Within a comparatively short time after that I withdrew from that firm for the reason that I could not accede to or agree to the blackmailing if not questionable method of doing business proposed and persisted in by said Gabryel, which consisted in attacking Mr. Hammerling as a means of getting business away from the American Association of Foreign Language Newspapers. I thought it a dishonorable way and not leading to ultimate success. His constant touch and co-operation with Zotti, an avowed enemy of Mr. Hammerling, had a great deal to do with his state of mind, and Zotti at every opportunity privately and publicly threatened he "would put Hammerling out of business." Gabryel failed in the advertising venture.

I cannot understand Gabryel's attitude or animus toward Mr. Hammerling or he, like every one else in the office, was receiving good salary and frequent holiday and business bonuses, except that from personal observation and knowledge I can say he is addicted to drink, gambling and other vices which leave him constantly without money.

In making this affidavit, I am actuated by the fact that statements contrary to the truth have from time to time appeared in the public press as the testimony of Gabryel in the investigation before the Senate Committee on the Judiciary, in which my name has been mentioned, and I take this opportunity, not having been called to testify, of stating facts under oath in justice to others, as well as myself, in the hope that the same will be taken into consideration by said Committee.

SIGISMUND DATTNER.

Sworn to before me this 6th day of December, 1918.

JOSEPH H. FARGIS,
Notary Public, N. Y. Co.

STATE OF NEW YORK,

County of New York, city of New York, ss:

I, Margaret C. Leffler, an employee of the American Association of Foreign Language Newspapers, Inc., for nine years, have read in a recent issue of the New York World of the investigation being made by the Senate Committee and of the charges made against Mr. Louis N. Hammerling, President of the

American Association of Foreign Language Newspapers, Inc., by Arthur Gabryel.

Arthur Gabryel's statement that upon instructions from Mr. Hammerling relieved the regular telephone operator, upon different occasions, so that Hammerling could converse with Von Bernstorff, Von Papen and Boy-ed is absolutely untrue. I have never connected Mr. Hammerling with any of the gentlemen. On many occasions since being employed by the American Association of Foreign Language Newspapers, Inc., I have relieved the telephone operator, and still do so, but at no time was it at the request or instructions received from Mr. Hammerling or to make any special connections with certain persons. I relieved the operator at her request only, and this was when the regular operator was not in the office or otherwise engaged.

MARGARET C. LEFFLER

Sworn to before me this 6th day of December, 1918.

[SEAL.]

FRANK D. GARDNER

Notary Public, New York County, No. 31

My commission expires March 30, 1919.

STATE OF NEW YORK,

County of New York, ss:

I, Elizabeth Weston Allen, being duly sworn depose and say: I have been employed since October 8th, 1913, as telephone operator and stenographer at the American Association of Foreign Language Newspapers, Inc. From the time of my employ I have never received any telephone calls from Von Bernstorff, Boy-ed or Von Papen as stated by Arthur Gabryel, who was formerly employed by the Association, in his testimony before your Committee, yesterday, December 4th, 1918, nor was I requested by anyone during the period from August 1914 to May 1915, to leave the switchboard so that Miss B. W. Leffler or Margaret C. Leffler could take the switchboard while anyone else held a conversation. During August 1914 and May 1915 the only time I was away from the switchboard was one hour for my luncheon and during my relief in the morning and afternoon. My relief was at that time either Miss C. F. Nolan or Miss Namson now Mrs. H. Brudney. However, on several occasions I was relieved by other young ladies in the office when Miss Nolan and Miss Namson were not available but to the best of my knowledge not for the purpose of getting on the telephone with either of the three gentlemen mentioned in Arthur Gabryel's testimony.

ELIZABETH WESTON ALLEN

Sworn to and subscribed before me this 5th day of December, 1918.

[SEAL.]

FRANK D. GARDNER

Notary Public, New York County, No. 31

My commission expires March 30, 1919.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, JANUARY 14, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 11 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Nelson, and Sterling.

Senator OVERMAN. I will state that the motion made by Maj. Humes to strike from the record all testimony in regard to the Bolo Pasha matter has been withdrawn.

Mr. DICKINSON. Mr. Chairman——

Senator OVERMAN. Maj. Dickinson, you want to be heard this morning?

Mr. DICKINSON. Yes, sir; I do.

Senator OVERMAN. At the request of a gentleman from New York who has expressed a desire to be present at your hearing—Mr. Abraham Grill, I think his name is—we have postponed hearing you until he can be here.

Mr. DICKINSON. I do not know his name. I have no objection to his presence at my hearing, Senator, but I have been suffering under this accusation here for several weeks.

Senator OVERMAN. This will be only three days more. We will hear you on Friday.

Mr. DICKINSON. Senator, I will go ahead and make up the record, and then——

Senator OVERMAN. No; we will just postpone your hearing until he gets here.

Mr. DICKINSON. Who is Mr. Grill?

Senator OVERMAN. Who is he, Capt. Lester?

Capt. LESTER. He was the attorney for Mr. George Sylvester Viereck, and secretary of The Fatherland corporation, and he was present when the arrangement was made.

Mr. DICKINSON. What arrangement, may I inquire, sir?

Capt. LESTER. He will have to answer for himself—Mr. Grill.

Senator OVERMAN. We think it is best for the interests of everybody to continue your hearing until Friday.

Mr. DICKINSON. Why, Senator Overman, I submit that I have been under this terrible charge for over a month.

Senator OVERMAN. This will be only three days more.

Mr. DICKINSON. You will do me the favor, Mr. Chairman, to recollect that I communicated with you——

Senator OVERMAN. You communicated with me, and you can be heard and will be heard on Friday.

Mr. DICKINSON. This is a very surprising turn. I am a citizen of the Republic, Senator, and I do not see why I can not be heard—

Senator OVERMAN. You will not be injured, Mr. Dickinson, in any respect by this delay.

Mr. DICKINSON. I do not see why this gentleman can not be inconvenienced as well as I. He is under no charge.

Senator OVERMAN. We did not hear about it until this morning. He is in court there and can not get here.

Mr. DICKINSON. Here is the record. I make no accusations against anybody, but it consists of such a loose statement, none of which is true, and which I know Capt. Lester will admit afterwards is not true—

Senator OVERMAN. We will give you a fair hearing and treat you right. This will be a delay of only three days—Tuesday, Wednesday, and Thursday—and on Friday you can be here and we will give you the whole day, if you want it.

Mr. DICKINSON. You do not inconvenience the other man, sir.

Senator OVERMAN. This is only in order to bring him here, and we will hear you just as well Friday.

Mr. DICKINSON. That is all I can do, sir.

Senator OVERMAN. Yes. Mr. Stowell has been here twice before, but he thinks that he has not made it plain that he is a loyal American, and he has another statement that he wants to put in the record.

Senator NELSON. What is it?

Senator OVERMAN. It is a statement as to his loyalty—what he has done in the interest of the Government.

Senator STERLING. I thought Prof. Stowell had pretty full opportunity the last time he was here, Mr. Chairman. I thought he made a very clear statement.

TESTIMONY OF MR. ELLERY C. STOWELL—Resumed.

Mr. STOWELL. You see, in an investigation of this kind the record is read by a very few people, but the newspapers are read by a great many, and this committee is not responsible for what the newspapers do; but the whole trend and scope of the investigation depends upon the newspapers, and statements were made in the press, and I feel that those statements that I object to were made because of some questions and the manner in which those questions were directed to me by this committee; and it was not with any criticism of this committee that I wished to say this.

Senator OVERMAN. Have you your statement written out?

Mr. STOWELL. I have my statement written out.

Senator OVERMAN. Is it connected?

Mr. STOWELL. It is connected.

Senator OVERMAN. Is it lengthy?

Mr. STOWELL. No, sir; it is not lengthy.

Senator OVERMAN. How long will it take you?

Mr. STOWELL. I do not think it will take me 15 minutes to say that, and for any questions you want to ask. To read the statement will take me only 10 minutes.

Senator OVERMAN. Are you going to put in a lot of extracts from newspapers in your statement? I do not want to encumber the record. Can you not make a statement without putting in a mass of other things?

Mr. STOWELL. I have prepared this statement and submitted these papers, but my object was to make it perfectly clear——

Senator OVERMAN. We had better let you read your statement. You will get through quicker.

Mr. STOWELL. I would like to read it.

Senator OVERMAN. Suppose you read your statement, if it will not take over 10 minutes.

Mr. STOWELL. I made this modification, Senator, for the reason that I included another paragraph in addition to what I read to you. I did not want to spring anything on the committee.

Mr. Chairman, I volunteered the other day to make a statement before your committee because I thought it would be of assistance in elucidating some of the methods of the German propagandists in this country. During the hearing some of the questions were directed toward my own attitude in the war. I did not come prepared to make a statement of what I had done. I should, therefore, like to ask the committee if it will permit me to add a few words of explanation to what I said and to inclose for the record copies of two or three of the articles and statements to which I referred in my evidence. Some of the reports in the press of my hearing have been misleading, and I feel that, since the matter of my activities has been taken up thus publicly the record ought to be in as complete a form as possible. I append a copy of the account in the New York Tribune, which I submit conveys a very different impression from the testimony taken as a whole.

No doubt, as the chairman has remarked, this Senate committee has no control over the newspapers and can not be held responsible for the interpretations they may put upon testimony, and with this I entirely agree, but, nevertheless, in the case of my hearing the circumstances are somewhat exceptional. The chairman toward the conclusion of my hearing remarked that I had volunteered, and that "when people came in where they were not asked they sometimes regretted it." I am quoting from memory, as I have not the record. This sally and the laugh that followed seemed to express satisfaction that one who had volunteered in an effort to help had been penalized by being put on the defensive. Senator Nelson characterized "as carrying water on both shoulders" my efforts as a scholar to be fair to both sides. Under these circumstances, I feel that this committee must share with the New York Tribune a part of the responsibility for the false light in which I have been placed by reports such as that which appeared in the Tribune and in the Philadelphia Press.

I referred to Viscount Bryce's commendation of my book on the Diplomacy of the War of 1914. It was in his introduction to The War of Democracy where he said:

No fuller and fairer examinations of them [the circumstances attending the outbreak of the war] have been published than are contained in two books written by American jurists, the book of Mr. Ellery C. Stowell, entitled "The Diplomacy of the War of 1914," and the book of Mr. James M. Beck, called

"The Evidence in the Case," books to which rather than to any English book I desire to refer to, because their authors, being neutrals, wrote with a complete freedom from national bias.

Sir Gilbert Murray, in one of the papers contained in the same volume, says:

Read the documents and read the serious studies of them. I would recommend specially the book by Mr. William Archer, called "Thirteen Days." There is also Mr. Headlam's admirable book, The History of Twelve Days, and the equally admirable book by the American jurist, Mr. Stowell. There the issue is clear and the question is settled. The verdict of history is already given in these negotiations.

When I resigned from Columbia University it was, I believe, generally recognized that I had been pro-ally before we entered the war and loyal always. In an editorial of March 4, 1918, the New York Tribune said:

Prof. Ellery C. Stowell was one college professor who stood out very clearly for this country's entry into the war. It is announced that he purposes to take up war work. There is no hint or taint of a pacifist about him. Prof. Stowell of high standing as a professor of international law, has resigned from the faculty of Columbia University. This is the fifth Columbia professor to resign or be dismissed within the year. These things do not seem to happen at Harvard or Yale, at Princeton or Cornell. We hope there is no room in this country and certainly not in New York City, for another University of Pennsylvania.

The Springfield Republican, of the same date, in an editorial on the situation at Columbia said:

Prof. Stowell is as free of pacifism or pro-Germanism as a Yankee machine gun.

The World of March 3 said:

In the resignation of Prof. Ellery C. Stowell, Columbia University loses not only an instructor of highest order but a two-fisted, fighting pedagogue.

In its evening edition of March 2, referring to my resignation, the World said:

As an authority on the subject (international law) Prof. Stowell has been constantly quoted on the diplomatic developments of the war. He became one of the leaders of the growing sentiment that the United States declare war on Germany. He led a pilgrimage to Washington, and after the declaration of war was one of the founders of the Patriotic Service League, of which he was elected treasurer.

Prof. A. Pearce Higgins, the distinguished English authority on international law, in his discussion on "Defensively armed merchant ships and submarine warfare," quotes approvingly (see pp. 9, 21, 26, 27, and 44) from an article I wrote on the right of belligerent merchantmen to resist capture. (New York American, March 1916.) I append this article.

I also referred to the protest which I was the first in this country to make against the execution of Capt. Fryatt. It was printed in the New Times of July 30, 1916, and reads:

By telegraph to the editor of the New York Times, Seal Harbor, Me., July 29. If the facts are as reported in the press, Capt. Fryatt, of the steamer *Brussels* had a right to attempt to ram the German submarine, and his execution is a judicial murder for which every lover of justice will condemn the German Government. Ellery C. Stowell.

I append a copy of another protest against the same act which I sent the New York Evening Post and a copy of a letter I wrote to

American Rights League. This latter was very widely distributed by that league.

In the case of the O'Donnell children, drowned by German submarines while traveling on the steamship *California*, I wrote to the New York Times and pointed out that they were Americans, and that their destruction was an overt act such as cried out for redress against Germany. I append a copy of this article—one of the few I volunteered.

In regard to Dr. von Mach's book, I did not, before we entered in the war, feel that it would be right to turn down the request for an opinion of it on its merits, nor did I think it right that I should be a prey to any request and be obliged to do the work without a minimum compensation. The German University League asked me to fix my compensation, and to preserve its judicial character I made it so small that it could not recompense me by half for the time I was obliged to give to the matter. I openly told everybody I was doing the work and let the compensation I was receiving be known. As I have pointed out, in other instances I returned several hundred dollars to avoid having any pecuniary interest in the result of the war. For the newspaper articles I wrote I received no compensation, except a very few—in less than half a dozen—instances. I never asked for pay nor made my writing conditioned upon remuneration. The large amount of time devoted to elucidating these international questions was given by me as a public service, entailing great personal sacrifices.

When I was studying the war I felt, and do still feel, that it was only proper for me to try to get all the evidence I could from German sources, but this impartial attitude as a would-be scholar did not prevent me from throwing all my influence on the side of international justice and in support of my country when we entered the war.

I think it was some slight service that we performed who came on here as the patriotic pilgrims to offset the antiwar propaganda of the pacifists financed by German money. Some of the members of the New York committee for the organization of this expedition were: Chairman, Hon. Charles S. Fairchild, Secretary of the Treasury in Cleveland's Cabinet; Hon. Joseph H. Choate, Richard M. Hurd, Hon. Charles E. Hughes, Hon. George W. Wickersham, Hon. Morgan J. O'Brien, Rev. Dr. William T. Manning, Hon. Oscar S. Strauss, and Dr. James C. Egbert. Appropriate resolutions were adopted at the Hotel Raleigh and transmitted to the President, the Senate, and the House of Representatives. I append a copy of the short report of this expedition. After my return to New York and the declaration of war, I helped to organize the Patriotic Service League, which has looked after all the patriotic drives and campaigns in an important region of New York. In an effort to extend the work of this organization I expended some \$3,000 and spent the summer in New York without a cent of remuneration. I append a short report.

There is just one other statement which I should like to place on record. When on the 4th of July, 1917, the citizens of Seal Harbor, Me., where I go in summer, asked me to make a patriotic speech, I emphasized the need that we should accept no halfway peace and said that we must have a decisive victory over Germany—that

France must be given back Alsace-Lorraine not only as a matter of justice, but also that Germany might realize how thoroughly she was beaten. I was one of the first in this country, publicly, to voice this demand.

It has been my firm belief, founded upon years of study, that observance of international law by all the nations is the best, perhaps the only, guaranty of peace. Only when the principles of the law of nations are clearly set forth can public opinion in a democracy rally to its support. I felt it was my duty and my opportunity of service to set forth what I believed to be the law without fear or favor. By so doing I may not have made friends where parties were wanted, but I think by this method I helped to convince many misguided persons of the justice of the cause of the allies and won them to its support. I recall such an instance concerning one of my students who was of German blood. He became an enthusiastic champion of the allies, and enlisted when we broke with Germany.

In the defense of the cause of international justice I have sacrificed time, money, and my position at Columbia, and I am not willing that any imputation of pro-Germanism should ever rest against my name, for it is one of the most dishonoring charges that can be laid at the door of an intelligent student of international affairs. I should like to request the committee to accord me the privilege of including this statement and the appended articles in the record to supplement and complete my explanations of the points covered in my testimony.

In further answer to Maj. Humes's question as to the newspapers for which I wrote, I will, with the committee's permission, prepare and subjoin as complete a list as possible, noting those articles for which I received compensation and the amount thereof.

Senator STERLING. There is just one exception to the statement made by Prof. Stowell, and that is to the statement made at the beginning, to the effect that this committee must share the responsibility of the New York Tribune and other papers in regard to statements that went out to the public. I do not know that the New York Tribune or any other paper has made statements concerning any witness otherwise than fair statements, and if any unfair statement has been made, surely this committee is not in any way responsible for it.

Mr. STOWELL. As I explained in my statement, the remarks that were made here by Senator Overman and Senator Nelson raised the question as to my loyalty—particularly those by Senator Nelson. In that respect—and Senator Overman emphasized the fact that I had volunteered my statement before this committee, and when people came in where they were not wanted, the idea was they sometimes got in trouble. Now, that impression was conveyed, and the reporters sitting around here carried that out.

Senator OVERMAN. If you had not volunteered there would not have been any of this in the record, would there?

Mr. STOWELL. No; and I am glad it is in the record and I should hope that you would be glad. I think it is a valuable piece of evidence that I have put in the record; and I thought it would be. I have been volunteering ever since we went into the war. I volunteered to come on here for that expedition. This country is one

volunteers. We do not have to wait to be told what to do. That is why we are beating Germany.

Senator NELSON. Did you not render a legal opinion about the Appam case?

Mr. STOWELL. No.

Senator NELSON. I thought you did.

Mr. STOWELL. No; I did some work for nothing.

Senator NELSON. Did you not pass an opinion on it in some form or other?

Mr. STOWELL. No, sir; I gave my opinion to everybody that asked it on every subject, and I gave it to this committee on the Appam case.

Senator NELSON. And you disagreed with the Supreme Court of the United States?

Mr. STOWELL. I disagreed particularly on the point about title, where enemy property is concerned.

Senator NELSON. You need not go into it. It is the fact that you disagreed; that is all?

Mr. STOWELL. Yes.

Senator NELSON. Did you review Von Mach's book?

Mr. STOWELL. I did.

Senator NELSON. What conclusion did you come to about that book? State briefly about that. I do not care about a long rignamole, but state briefly what you said about it.

Mr. STOWELL. I said that it was partisan.

Senator NELSON. Partisan?

Mr. STOWELL. Yes; and so partisan that it ought not to be submitted to uninformed readers.

Senator NELSON. What do you mean by "partisan"? Was it pro-German?

Mr. STOWELL. Yes; pro-German.

Senator OVERMAN. From whom did you receive the money?

Mr. STOWELL. From the German-American League.

Senator OVERMAN. You did receive money from Germans?

Mr. STOWELL. But Mr. Merkel sent me the check.

Senator OVERMAN. I understand, and that is what brought forth my remark, that you had come here and said you received German money for criticizing a book. You came here voluntarily and that was brought out in the examination, and I said that people sometimes volunteered to do things, and you had volunteered to come here as a witness, and you got into trouble. That was my remark.

Mr. STOWELL. I said——

Senator OVERMAN. You have made your statement. That is all right, now.

Mr. STOWELL. I stated that, because it was important to explain what kind of a man Merkel was; but the committee interrupted me there, and I never did finish that explanation.

Senator OVERMAN. That is why I allowed you to make this other statement this morning. That is all right, now. That will do.

Mr. DICKINSON. Will you permit me to say one word, Senator?

Mr. STOWELL. Will you excuse me just a moment?

Mr. DICKINSON. Certainly, sir. I have been excusing people for a week here.

Mr. STOWELL. May I be permitted, Senator, to put in these articles [indicating papers]?

Senator OVERMAN. What is the length of them?

Senator NELSON. We will look them over and pass on them.

Senator OVERMAN. Yes; we will pass on them.

Mr. STOWELL. I will leave these here for you to pass on.

Senator OVERMAN. Yes. Now, what is it, Mr. Dickinson?

Mr. DICKINSON. I must make a very frank statement to you, to let you know what is pressing upon my very nature for an early hearing. For nearly six weeks, my son, who is an officer in the Army in France, a captain of engineers—he has been there 18 months—now that we are in a condition of profound peace, for nearly six weeks we have not heard one word from him. He is very prompt in answering, and you can know the suspicion that naturally has been in my mind, now that I am under unjust charges—that the Government of the United States, probably through its Intelligence Department, is holding my boy's letters to his mother. Resting under such charges, I submit, Senator—

Senator NELSON. I do not think that is so.

Senator OVERMAN. That can not be true.

Mr. DICKINSON. I say resting under such unjust charges, such loosely made charges as I am resting under, I do not see why I should be kept waiting here to give some man in New York—a man, so help me God, that I never heard of before—the privilege of coming here to testify against me. Why is he not here? I have been here for more than a week asking this committee for the privilege of appearing as soon as I could.

Senator OVERMAN. You can clear up this whole matter if you will wait. We will give you every opportunity in the world. We want to hear the truth about it, and a postponement of two days will not hurt anybody. So, that will do.

Mr. DICKINSON. All right, sir.

Senator OVERMAN. I want to put into the record a letter from the governor-elect of Tennessee. I suppose he has been inaugurated by this time. Will you read it, Maj. Humes?

Maj. HUMES (reading):

OFFICE OF A. H. ROBERTS,
TULANE HOTEL, NASHVILLE, TENN.,
Nashville, Tenn., Jan. 9, 1911

Hon. LEE S. OVERMAN,
Washington, D. C.

MY DEAR SENATOR: Some time ago there appeared in the Nashville Tennessean & American, under a Washington date line, an article bearing upon the probe then being made by your sub-committee of the activities of the brewers in the dissemination of German propaganda. Among other things the following statement was made:

"Organized campaigns directed by the United States Brewers' Association against prohibition laws and dry sentiment were described to the committee today by John McDermott of New York, manager of the association's organization.

"Under questioning the witness told of organizations formed in various states, sometimes with their names giving no indication to the public in wet and dry fights and of other activities.

"McDermott said he prepared a schedule showing the situation in many states, but denied his committee actually participated in political contests except in Tennessee and Texas, where it supported anti-prohibition candidates for Governor. In other states local organizations were left to conduct the

est in the interests of individual candidates favorable to the brewery interests."

Having been a candidate for the Democratic nomination for governor of Tennessee in a State-wide primary, held on August 1, 1918, in which I was nominated, and having been elected governor of Tennessee at the November election, 1918, I desire to request that you do me the favor and the honor of having this letter made a part of the record of the proceedings of your subcommittee.

Let me say with emphasis that no part of this brewers' fund ever came to me or to my campaign committee or was used by me or by anyone for me. I had no connection whatever with the brewers' organization, nor was I in sympathy with it. In my campaign I stated that I was in favor of the ratification of the prohibition amendment to the Federal Constitution, which amendment has just been ratified by the Legislature of Tennessee almost unanimously. I would thank you to develop the facts in the examination of witnesses who may appear before your committee, so that it may be made known whether or not the brewers took any part in the 1918 campaign in Tennessee, and if so, in whose behalf their activities were exerted and funds expended.

Thanking you for any courtesies extended me, I am,

Very respectfully,

(Signed) A. H. ROBERTS.

Senator OVERMAN. Now, call your next witness, Major, please.

Maj. HUMES. Mr. Smith.

TESTIMONY OF MR. AUSTIN J. SMITH.

(The witness was sworn by the chairman.)

Maj. HUMES. Where do you live, Mr. Smith?

Mr. SMITH. Los Angeles, Cal.

Maj. HUMES. Were you formerly a resident of Denver, Colo.?

Mr. SMITH. I was.

Maj. HUMES. Were you engaged in newspaper work or employed by any newspaper in Denver, Colo.?

Mr. SMITH. I was employed as advertising and circulation manager for the Chieftain, of Pueblo, and the Grand Junction News, of Grand Junction, Colo.

Maj. HUMES. During what period of time were you so engaged?

Mr. SMITH. From about December, 1913, to about January, 1917.

Maj. HUMES. Your offices were in Denver, however, as I understand it?

Mr. SMITH. Yes, sir.

Maj. HUMES. Who were the owners and the publishers of these two papers in 1915 and 1916?

Mr. SMITH. In 1915 the Chieftain was owned by Col. I. N. Stevens. In 1916 he leased the paper, as I understand it, to Mr. Swain.

Maj. HUMES. What is Mr. Swain's first name?

Mr. SMITH. Alva A.

Senator NELSON. What is the name of that paper, please?

Mr. SMITH. The Pueblo Chieftain.

Maj. HUMES. Who was the owner and publisher and editor of the Grand Junction News?

Mr. SMITH. J. A. Barkley was the editor over there, while Alva Swain was the editor in Denver.

Maj. HUMES. But the same person owned both of these papers?

Mr. SMITH. During 1916 Mr. Swain leased the Chieftain, but he was also at that time editor of the Grand Junction News.

Maj. HUMES. Then, while editor of the Grand Junction News, I leased the Chieftain and also edited that paper?

Mr. SMITH. Yes, sir.

Maj. HUMES. Will you state if at any time after the breaking of the European War, in August, 1914, you had occasion to consult with Ambassador Bernstorff and with representatives of the German Government, with a view of negotiating contracts with the newspapers?

Mr. SMITH. I consulted first with Bernstorff in New York, at the Ritz Carleton, on the 13th day of October, 1915.

Maj. HUMES. Will you tell us how you happened to enter into these negotiations and at whose direction, and what arrangement was made for your coming in contact with Ambassador Bernstorff?

Mr. SMITH. Do you wish me, Major, to go into the details of the campaign early in 1915?

Maj. HUMES. Yes; just tell in your own way what led up to your negotiations with Bernstorff, and everything in connection with it.

Mr. SMITH. In the spring of 1915 I was instructed by Alva A. Swain and I. N. Stevens to start a campaign to obtain subscriptions from a list which was furnished by the Colorado Herold (The German paper of the Rocky Mountain region) and to employ as many subscription solicitors as I desired——

Senator STERLING. When you say "The German paper," you mean a German-language paper?

Mr. SMITH. A local paper there in Denver; yes, sir; but to contact and index every German and German American in the West if possible to obtain their subscription. Little headway was made with the Germans and German Americans in Denver, and later on I was advised to confer with Godfrey Schirmer, president of the German American Trust Co., of Denver and to obtain from him if possible a complete list of every prominent German in Colorado who would be interested in chipping into a fund whereby the Chieftain would be circulated all over the State of Colorado. After chatting the matter over with Mr. Schirmer, who was very favorably impressed with the scheme, I chatted the matter over with several prominent German Americans in Denver, who after a meeting which was held in Denver, informed me that the matter would be presented to the German consul, Dr. Kurt Zeigler.

Dr. Zeigler phoned me the next day and asked me to come to his office, where the proposition was submitted to me to have Mr. Swain call and see him the following day and that the matter of circulation would be arranged. Mr. Swain and I went to Dr. Zeigler's office where the matter was chatted over, and Dr. Zeigler then accompanied us to the office of the Austro-Hungarian consul where we were introduced to Mr. Von Fischer, the vice consul of the consul and who informed us that he would be only too glad to assist us in any way possible. In the presence of Dr. Zeigler and Mr. Von Fischer, Mr. Swain suggested that he desired the proposition to be handled by me, and that they were at liberty to give any and all instructions to me.

The matter of submitting the circulation proposition to the ambassadors at Washington was put off until the latter part of the summer of 1915, as Mr. Swain remarked that it was too risky a proposition.

sition to handle at that time, but Dr. Zeigler kept on insisting that no one would be the wiser, that he would furnish the list and arrange everything in such a manner that it would never be detected, but Mr. Swain was satisfied with the results that were coming in on the circulation—that we were making around town—and the deal with the ambassadors was held until September, 1915, when the matter was submitted in October.

On or about the 25th day of July, 1915, we were requested by Dr. Zeigler and Mr. Von Fischer to erect a booth on the lakeside grounds (a pleasure resort near the outskirts of Denver and owned by Mr. Frank Kirchoff, a prominent German American of Denver) for the volkfest, which would be held in the very near future, and that it would be advisable to have a thousand copies or so of the Chieftain on hand so as to post the Germans that the Chieftain was the only paper in the Rocky Mountain country that was friendly to the German cause. We appeared on the grounds with the sample copies; we did not erect a booth, but we had a special editorial which was approved by Zeigler and Von Fischer, and with their assistance we had a very successful day.

During the latter part of August or September, 1915—August, I am sure—Dr. Zeigler, Mr. von Fischer, Mr. Swain, and myself went over the proposition of erecting a booth between the beer garden and the dance hall at Lakeside Park, where another volkfest was to be held, and that the Chieftain was to carry the special editorial of Dr. Charles F. Aked, a minister from San Francisco, Cal., and the day before the volkfest our tent was put in the place mentioned above and thousands of copies of the Chieftain were at the park to be given away and to be paid for by, as I understand it, Zeigler.

Senator STERLING. Do you know the character of this editorial?

Mr. SMITH. No; I do not recall it now.

We were assisted by Dr. Zeigler, Mr. von Fischer, several prominent Germans, and one in particular, a Rev. Schmide, of Denver, who spent almost the entire day in the booth assisting me in taking subscriptions. Two large banners were erected on the top of the tent calling attention to the fact that the Chieftain was the only paper west of Chicago that was giving the Emperor a square deal.

About the very latter part of September, 1915, Mr. Stevens and Mr. Swain called me on the carpet and criticized the success we were having with the Germans and that the matter of personal solicitation must be dropped, and that I must get the prominent Germans of the city together and tell them that Mr. Stevens desired that all of them make up a \$5,000 pot, and that if I could not turn the trick, that he would hire somebody who would. After conferring with the Germans he mentioned, I reported back that they were all in favor of Zeigler's proposition, and Mr. Swain and Mr. Stevens informed me then to go ahead with the German consul's plan, but that they were not to be known in the transaction at all, and after conferring with Dr. Zeigler and Mr. von Fischer, who informed me that they desired to deal with prominent Americans all over the western part of the United States, how the papers must be distributed, and that we must deal only with the most prominent business men, such as lawyers, doctors, dentists, merchants, etc., and after reporting

back to Mr. Stevens and Swain I was advised to go East and follow instructions.

On or about the 4th day of October, 1915, Dr. Zeigler and Mr. Fischer handed me letters in German to Ambassador von Bernstorff, Ambassador Dumba, and Zweidneck, and the German consul at Chicago, Ill. On or about the 6th day of October, 1915, I left for the East and called on the Chicago consul, who was out of the city, and the same day wired Mr. Swain, who wired me at a later date to make the best deal possible, and sign nothing. I arrived in New York about the 9th of October and went to the Knickerbocker Hotel, and phoned to Dr. Eidler at the Ritz-Carlton Hotel, who asked me to come over after I informed him that I had a letter for the ambassador.

Upon arriving at the Ritz, Dr. Eidler, after reading Dr. Zeigler's letter, informed me that the ambassador was out of the city, and that he would make an appointment for me the following Wednesday, October 13, 1915. Dr. Eidler suggested that I had better go on to Lenox, Mass., where I was to see Baron Zweidneck, as I had missed Ambassador Dumba, who had been recalled. I arrived at Pittsfield, Mass., Saturday evening, October 9, and stayed there until the following morning, when I started for Lenox, arriving there in short time, and went direct to the summer embassy, where the baron had been informed by phone by Dr. Eidler that I was coming. After a lengthy conference with the baron, who decided that he desired to have the Chieftain carry a column of news printed in Italian type in our weekly or the daily, and desired to have the price submitted to Mr. Von Fischer as soon as possible. The baron also desired to have a considerable number of copies of the Chieftain sent out by rail. After the conference I left for Pittsfield, and then back to New York where I waited until October 13 for my conference with the ambassador. On the morning of the 13th Dr. Eidler phoned me to come over at 10 a. m., and upon arriving was shown into the ambassador's presence by Dr. Eidler, who introduced me and who then retired.

The ambassador, after going over my letter from Dr. Zeigler, informed me that he was very glad to meet the representative of the paper who was very friendly to the cause, and that he would be very glad to render whatever assistance was possible, as he felt very kindly toward the Chieftain. He seemed to be pretty well informed of Dr. Zeigler's plans regarding the Chieftain, and after going over a map on his table informed me that he would like to have the Chieftain scattered over the States of Colorado, New Mexico, Utah, and Colorado to start with, but that the paper must be sent to the most prominent men in the four States, and that I must see that the names were carefully selected so as the most remote hamlet would be reached, and that at all times I should follow Dr. Zeigler's directions. It was very important that the matter be handled so as to not create suspicion as to who was paying for the circulation, and that receipts should be given by either side for the money given or received, as it would cause considerable embarrassment to the paper and to Dr. Zeigler. He informed me that he would chat the Austro-Hungarian deal over with the baron, and that he would advise regarding that end through Dr. Zeigler at Denver.

He agreed to give us \$20,000, to be payable in monthly installments, and after that expired to renew the same, with the promise that we follow all suggestions that Dr. Zeigler would make, so as

help the people of the four States to obtain Germany's side of the war. After the conference I returned to Denver and reported to my superiors, who were very well pleased with what was accomplished, and on the 22d of November, 1915, I was advised by Mr. Swain to see Zeigler about some cash, and Zeigler informed me that it was due almost any day now, but that I could wire the ambassador or Dr. Eidler if I desired as to when we would receive our first payment, and between the time of sending my telegram to Eidler and receiving my answer I received word the morning of the 23d day of November to stop that wire if possible, as some of the money had arrived, and inside of a half hour I received a wire signed by the ambassador informing me to confer with Dr. Zeigler, who was informed, and upon reaching Dr. Zeigler's office he informed me that he had a draft for the first payment of \$1,080, and that if I would return in about three hours he would have the cash; and returning at about 1 p. m., I was informed by Mr. Martin, Dr. Zeigler's secretary, that the doctor was out, and I asked for the cash, and he gave me the draft, saying that Dr. Zeigler had indorsed it and told him to go to the bank and have same cashed, but that he had not the time to go, and would I mind cashing the same at the German-American Trust Co. I cashed the draft at the German-American Trust Co. after Mr. Schirmer had indorsed it on the face of the draft; and returning to the office of the Chieftain, gave the same to Mr. Stevens and Mr. Swain, who informed me that they were very well satisfied.

Some time in the next month or so Zeigler bitterly complained about a photograph which appeared on the front page of the Chieftain regarding the enlistments at Toronto, and Mr. Swain immediately phoned Pueblo asking for an explanation as to why such a thing appeared in the Chieftain, and the answer by mail was turned over to Dr. Zeigler, who forwarded same to the ambassador at Washington and the matter was smoothed out. In the meantime I was very busy with Mr. Von Fischer regarding the Austrian deal which was dragging along very slowly, and Baron Zwedneck informed Von Fischer that the matter would soon be ready.

On or about February 10, 1915, I was advised to go to Washington by Mr. Swain and Mr. Stevens to see the ambassador and also the baron regarding more cash which had failed to come through Dr. Zeigler's office, and Mr. Von Fischer gave me a letter to the consular general at the embassy at Washington, which I did not have to present, as I got to the baron without any trouble, and he advised me that the matter was to be started in March, 1916——

Here is the letter. [Producing a letter and offering it to Senator Overman.] I do not know whether it has ever been translated, Senator.

Senator OVERMAN. All right. Do not hand it to me.

Maj. HUMES. Give it to me. Maybe we can translate it.

Mr. SMITH. Referring to this last letter, which I did not have to present, as I got to the baron without any trouble, and he advised me that the matter was to be started in March, 1916, and that it could have been started sooner but that he had been afraid of an exposure, but that Ambassador Bernstorff had informed him that the best way to handle it would be to pay us the cash and have us in the Italian column, and that the editorials would do the rest; but the baron did not favor the idea of sending the papers to Ameri-

can business men, but to have them sent to the prominent Austrians through several western States, and promised me that the matter would be ready by March 10. Later, when calling on the ambassador at the embassy, the ambassador went over the matter regarding the Austrian deal and said that he would adjust any differences between the baron and myself and that he would also make immediate arrangements whereby we could get our payments promptly, and that he was very well satisfied with the paper to date but that we must never forget to follow his consul's instructions.

In April the ambassador advised me that Zeigler was going to give me some instructions regarding an editorial that he desired to have printed regarding Col. Roosevelt, and that he wanted extra copies sent out. Zeigler gave me the general idea of what he wanted published, and I turned same over to Mr. Swain, and the editorial appeared later as to why Col. Roosevelt should not be nominated at the Chicago Republican convention. The consul and the ambassador conveyed their personal thanks on the editorial and Zeigler mailed out several hundred copies from his own office around the eastern part of the United States.

After the Chicago convention, Dr. Zeigler called me to his office and informed me that they had a special proposition to put over as to another matter was not working out as well as they had planned, and that he was going to increase the amount of papers being mailed to either five or ten thousand copies daily, and that a few editorials now and then why Mr. Wilson should not be reelected would be advisable, and that as we were the leading Republican paper of the West the public would never bite as it would be taken and accepted as politics. Zeigler requested me to wire to the ambassador and make the suggestion but to word the letter so as no one would be the wiser in event it fell into the wrong hands. He had requested me to do the same thing before, and I saw no harm to his request. I always followed his suggestion, and later on he informed me jokingly that, as the request came from me, the ambassador could not be blamed in event matters went wrong, as by this time there was considerable comment around Denver as to whether the Chieftain was getting paid for a lot of editorials that were appearing almost daily. My letter to the ambassador was answered with the invitation to come on, and later I was informed that the entire balance that was standing out, about \$17,000, would be paid in lump form just as soon as we started the new system, the paper refusing to go any further. I had received the balance or part of the cash, but upon assurance from Bernstorff and Zeigler that the matter would be fixed up in a hurry the lists were all made up out of telephone books from several States and I waited for instructions.

I was beginning to get the feeling that Zeigler was not playing a fair game on the square, and during the summer of 1916 spent considerable time around his office and was present when the letter came from the ambassador regarding the Wilson deal, and not receiving the balance of cash in the short time in which the matter was to be settled, I decided that I would endeavor to obtain the original copy from the ambassador to the consul and turn the same over to the State Department at Washington, and spent considerable time on the plan. My idea was not to even up with Zeigler, but after turning the matter over for days felt that they were going too far with

propaganda when it came to taking such an interest in the coming election. I sent J. M. Strauss, a reporter on the Denver Express, to Washington, after writing the State Department, and upon Mr. Strauss's return I was informed that they took no stock in the matter at all, at least not enough to make an investigation, which would have proved beyond a reasonable doubt just what was going on, and a few weeks later when in conference with the ambassador I was informed that everything was ready. Returning to Denver, I went ahead with my idea of obtaining the letter, but foolishly mentioned and went over my plans with C. W. Richards, the Denver druggist, who in turn took my plan to Godfrey Schirmer, president of the German-American Trust Co., and the two then conferred with Dr. Zeigler, who wired the ambassador regarding Richards's demand of \$5,000 for the information, and, upon receiving a favorable answer, Richards, with the aid of Schirmer, informed Dr. Zeigler of the entire transaction, and upon advising the office, Mr. Stevens and Mr. Swain agreed to handle the matter with the ambassador in person, and, according to the statement made to me by Mr. Swain, Mr. Stevens received the sum of \$12,000 from the ambassador in Washington, and then Mr. Swain sent me to Washington December 1, 1916, to try to get the ambassador to pay the balance which he felt was due, the ambassador very politely informed me that while I had tried to spoil the scheme, that the balance would be paid to Zeigler who in turn would pay same over to me; and it dragged along until the severance of relations.

The Austrian deal never went through, only in a small way through the consul and the vice consul, Mr. Von Fischer, who subscribed to a great many copies of the paper by the year to be sent to their personal friends and paid for by the consul and Mr. Von Fischer.

Maj. HUMES. In conducting these negotiations, how many times did you confer with the German ambassador?

Mr. SMITH. October, 1915; February, 1916; April, 1916; July, 1916; and December, 1916.

Maj. HUMES. Have you any memorandum showing the date of the draft that you say was handed to you for cashing?

Mr. SMITH. No.

Maj. HUMES. You do not remember?

Mr. SMITH. I cashed the draft on the 23d of November, 1915.

Maj. HUMES. You cashed it on the 23d of November, 1915?

Mr. SMITH. Yes.

Maj. HUMES. That is the only cash that went through your hands in the deal?

Mr. SMITH. That is the only cash that I ever handled.

Maj. HUMES. Have you any exhibits in the shape of telegrams or letters passing through you and the German ambassador?

Mr. SMITH. Yes.

Maj. HUMES. I show you a telegram which has been marked by the porter "Smith Exhibit No. 1." Is that the telegram you received from Ambassador Bernstorff?

Mr. SMITH. That is the answer.

Maj. HUMES. That is an answer to the telegram that you sent?

Mr. SMITH. Yes.

Maj. HUMES. The telegram you sent is the one which the report has marked "Smith Exhibit No. 2"? Smith Exhibit No. 2 is the telegram that you sent to the German Embassy, and Smith Exhibit No. 1 is the reply that you received?

Mr. SMITH. That is correct.

Maj. HUMES. I submit Smith Exhibit No. 2, Mr. Chairman, is a copy of a telegram dated Denver, November 22, 1915, reading as follows:

SMITH EXHIBIT No. 2.

Dr. EIDLER,

Care the German Embassy, Washington, D. C.:

Could you let me have an immediate reply as to whether there is a chance of an early and favorable reply in reference to my appointment at Ritz Car. New York, October 13. Answer collect.

A. J. SMITH.

Smith Exhibit No. 1 is a telegram dated Washington, D. C., November 23, 1915, reading as follows:

SMITH EXHIBIT No. 1.

A. J. SMITH,

Care Pueblo Chieftain, Denver, Colo.:

Please confer with Dr. Ziegler, who is informed.

J. BERNSTORFF

Senator STERLING. What was Dr. Zeigler's position?

Mr. SMITH. General counsel for four or five western States.

Maj. HUMES. You mean consul, do you not? He was the German consul in that district?

Mr. SMITH. Yes.

Senator OVERMAN. What became of him? Is he in this country?

Mr. SMITH. He went back with Bernstorff.

Maj. HUMES. Will you state as to whether or not the editorial with reference to Col. Roosevelt, to which you have referred, was printed in the Chieftan?

Mr. SMITH. It was; but that editorial is not here.

Maj. HUMES. You have not that editorial here with you?

Mr. SMITH. No, sir.

Maj. HUMES. What instructions, if any, did you receive from Dr. Zeigler, the German consul, as to the editorial policy of the Chieftan or what the editorial policy of the Chieftan should be with reference to the 1916 campaign?

Mr. SMITH. Dr. Zeigler was very well satisfied with the editorial policy of the paper. He had no complaint about that at all in submitting the proposition in July, 1916, I believe, regarding the distribution of either 5,000 or 10,000 copies to be sent out over the five States mentioned and three extra—I believe it was Wyoming, Montana, and South Dakota—his suggestions being merely that I was to instruct the editors below that an editorial occasionally, now and then, should be published as to why Mr. Wilson should not be elected to fall, and that he thought that would have considerable influence owing to the fact that it would appear over all that section of the country; that there would not be any suspicion attached to it, due to the fact that it was a Republican newspaper and that the subscribers would just assume that it was politics.

Maj. HUMES. What was the policy of the paper with reference to the Republican national convention and the Republican candidates?

Mr. SMITH. They backed Mr. Hughes and the Republican ticket as a whole, I guess; but they did not favor Col. Roosevelt.

Maj. HUMES. They were to oppose Col. Roosevelt?

Mr. SMITH. Oh, yes. At that time the paper was being written by Mr. Swain, understand. Mr. Stevens is a pretty strong Republican. Mr. Stevens had nothing to do with the editorial policy of the paper at that time, in the summer of 1916.

Maj. HUMES. At that time it was under lease by Swain?

Mr. SMITH. Yes.

Maj. HUMES. I believe that is all.

Senator STERLING. What was the attitude of the paper in regard to the war and the German cause?

Mr. SMITH. They just favored the Kaiser from start to finish, as the editorials here will show.

Maj. HUMES. Have you any sample editorials with you?

Mr. SMITH. I have editorials here; yes. Here is one which appeared, also at the suggestion of Dr. Zeigler; that he did not think it would do any good, but that he did not think it would do any harm. I believe that was just prior to the recall of Boy Ed and von Papen.

Maj. HUMES. This is an editorial opposing the withdrawal of Boy Ed and von Papen.

Senator WOLCOTT. Are these papers still being published?

Mr. SMITH. One. The News went under.

Senator WOLCOTT. How about the other one?

Mr. SMITH. The Chieftain is still in existence, and very prosperous.

Senator WOLCOTT. Under the same management?

Mr. SMITH. Under the same management.

Maj. HUMES. It also published an editorial defending Dr. Dumba and opposing the attitude of this Government toward the recognition of Dr. Dumba as the Austrian ambassador?

Mr. SMITH. Yes.

Maj. HUMES. I do not know whether the committee desires to put any of these matters into the record or not.

Senator OVERMAN. I think not. He has stated what the policy of the papers was; that they were favorable to the Kaiser.

Maj. HUMES. Do you remember the position the Chieftain took on the question of the sinking of the *Lusitania*?

Mr. SMITH. Yes.

Maj. HUMES. What was it?

Mr. SMITH. I would say that they upheld it, by the way we lost subscribers there for the following two weeks.

Maj. HUMES. What news service was used by the Chieftain? Do you know?

Mr. SMITH. The Associated Press.

Maj. HUMES. It had an Associated Press franchise?

Mr. SMITH. Yes.

Maj. HUMES. I think that is all.

Senator WOLCOTT. You say that the paper upheld or sustained the sinking of the *Lusitania*, and you judge that from the way you lost subscribers?

Mr. SMITH. I judge that by the attitude of a dozen or fifteen of our very prominent subscribers there in Denver, who immediately called down to the office of the Chieftain, and, while it was the policy of the Chieftain to collect \$7 a year in advance for subscriptions, some of those subscriptions practically had just started when they came there looking for the gentleman who editorially upheld the sinking of the *Lusitania* and wanted their subscriptions canceled.

Senator WOLCOTT. The editorial policy was, then, clearly one of the justification of that sinking?

Mr. SMITH. Yes, sir.

Senator OVERMAN. That is all, Mr. Smith.

Maj. HUMES. I would like to submit this translation and have it put into the record in connection with the testimony of Mr. Smith. Would the committee like to have it read?

Senator OVERMAN. Yes.

Maj. HUMES (reading).

SMITH EXHIBIT No. 3.

WAR DEPARTMENT, OFFICE OF THE CHIEF OF STAFF, WASHINGTON,
IMPERIAL AND ROYAL AUSTRO-HUNGARIAN CONSULATE
Denver, Colorado

DEAR SIR: Mr. A. G. Smith, who was received a few months ago by Counselor of Legation Zwiedinek in Lenox, who is about to go to Washington and would like to try to be received, if possible, by the Imperial and Royal charge d'affaires.

Since Consul von Manojlovits is absent on official business this afternoon, it was not possible to provide him with official credentials, and for this reason I take the liberty herewith of introducing him to you so that you may be able to do what you consider fitting in his behalf.

Accept, Sir, the expression of my most loyal devotion.

(Signed)

FISCHER-ANKERN
Vice-Consul.

Senator OVERMAN. You are excused, Mr. Smith.

Maj. HUMES. Mr. J. A. Arnold is here.

Mr. J. A. ARNOLD. Mr. Chairman, I want to have an opportunity to consult with Senator Bailey, who has not arrived yet. He is expected at any moment, and I would prefer to discuss the matter with him before appearing.

Senator OVERMAN. We have postponed this for a week.

Mr. ARNOLD. I know you have, Mr. Chairman, but I want to confer with him first, although I want to get along just as much as anyone and get through just as quickly as we can. But that is the situation and that is my desire. He may be here any minute.

Senator OVERMAN. Do you think you need counsel?

Mr. ARNOLD. I would prefer to discuss matters with him; yes.

Senator OVERMAN. When do you think he is coming back?

Mr. ARNOLD. His residence told me at 11.30 that they expected him in any minute. His wife said they were waiting breakfast for him for that matter, and did not know why he was delayed, but heard he was on a late train.

Senator OVERMAN. If Mr. Arnold wants counsel, I suppose he is entitled to it.

Senator NELSON. Yes; but he should be ready by half past 2.

Senator WOLCOTT. There should be some time limit fixed. If he can not get Mr. Bailey, there are plenty of other lawyers that he can get.

Mr. ARNOLD. Senator Bailey is more familiar with this matter and with the circumstances surrounding it than anybody else.

Senator OVERMAN. Have you any witnesses to go on with, Maj. Humes?

Maj. HUMES. As to the other witnesses that we have here the same request would apply, I imagine. Is that correct, Mr. Arnold?

Mr. ARNOLD. Yes.

Senator OVERMAN. You will be ready at half past 2, then, Mr. Arnold?

Mr. PATTERSON. May I go ahead now, Mr. Chairman?

Senator OVERMAN. Yes. I would like to have Senator King here before we proceed, however. We will telephone to him that we are ready to go ahead.

Mr. ARNOLD. I understand that you want us to go on at half past 2. Can it not be put off until to-morrow morning, in case Senator Bailey does not get here, Mr. Chairman?

Senator OVERMAN. We will make it 3 o'clock, then.

(Whereupon at 12.05 o'clock a. m. the subcommittee went into executive session, at the conclusion of which a recess was taken until 3 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met at 3 o'clock p. m. pursuant to the taking of the recess.

Senator OVERMAN. Is Mr. Arnold here?

Mr. ARNOLD. The situation is unchanged. I have not heard from Senator Bailey, with whom I want to discuss these matters. He is expected at any minute. I would like to crave the indulgence of the committee until to-morrow.

Senator OVERMAN. Where is Senator Bailey now?

Mr. ARNOLD. He was in Tucson, Ariz. He was there Thursday. He has been delayed, or is in a wreck, somewhere. I called his office and they said that they expected him any moment, but they had had no wire from him to-day.

Senator OVERMAN. We want to go on, and if there is anything that you want to consult your counsel about you could reserve it until you can see him.

Senator WOLCOTT. Can you tell us, Mr. Arnold, why it is necessary to consult your attorney?

Mr. ARNOLD. Well, I would prefer it. I take it that this investigation will go into matters that I would prefer to consult an attorney about.

Senator WOLCOTT. I know; but is it your objection that you will be called to answer questions that would incriminate you in any way?

Mr. ARNOLD. No; I do not think that would be possible.

Senator WOLCOTT. What is the point of having an attorney, then?

Mr. ARNOLD. I only want to go over it with an attorney who understands the general situation better. I think there is some politics mixed in it.

Senator OVERMAN. Well, that has not anything to do with it. Unless there is something that might incriminate you in your testimony, I shall insist that you go on.

Mr. ARNOLD. I do not know. I would prefer to consult Senator Bailey, unless you insist that I shall proceed. That is my request.

Senator WOLCOTT. If you think that you are going to be asked questions that might bring you to the point that you might not be able to determine, when you are asked questions, whether your answers will incriminate you, and therefore would like to have counsel that is one proposition. But if you want to talk with your lawyer before answering questions, with no thought of that in your mind, it strikes me as a request that it is rather difficult to grant.

Senator OVERMAN. Have you any suggestions, Major?

Maj. HUMES. Of course, we are willing to proceed with this matter. The request that Mr. Arnold makes is a personal request to the committee, but we are ready to proceed, and of course we are anxious to progress with this matter. The matter has now been held up for a week. I think it was a week ago to-day that you came.

Mr. ARNOLD. I think a week ago yesterday, the 7th.

Maj. HUMES. A week ago to-day.

Mr. ARNOLD. You are right.

Senator OVERMAN. Suppose that Senator Bailey does not come to-night?

Mr. ARNOLD. I say that we shall proceed to-morrow, and I shall make no request for further delay.

Senator OVERMAN. Where are you from?

Mr. ARNOLD. Fort Worth, Tex.

Senator OVERMAN. Do you know Senator Bailey personally?

Mr. ARNOLD. Yes, sir.

Senator OVERMAN. When did you see him last?

Mr. ARNOLD. I talked with him about a couple of months or so ago, I guess; something like that.

Senator OVERMAN. Did you discuss this matter with him?

Mr. ARNOLD. No; I did not know this matter was coming up.

Maj. HUMES. Has he been your attorney in connection with general matters that are likely to be inquired about?

Mr. ARNOLD. I have had no attorney.

Maj. HUMES. He has no particular knowledge of these various transactions that the subpoena would indicate are going to be inquired into?

Mr. ARNOLD. I do not know that he has any knowledge about it; no; but I would prefer to consult him, and the man I am associated with would prefer to do so.

Senator OVERMAN. Is this your request or the request of somebody else?

Mr. ARNOLD. It is my request.

Senator OVERMAN. Is there anybody with you that wants it postponed?

Mr. ARNOLD. The young lady that is subpoenaed with me and working with me.

Senator OVERMAN. Your secretary?

Mr. ARNOLD. Yes.

Senator OVERMAN. She wants to consult Senator Bailey also?

Mr. ARNOLD. We would like to consult Senator Bailey, if you please. If he is not here by morning, we will gladly proceed without any further discussion.

Senator OVERMAN. You do not know whether—have you any idea whether you can get him to appear for you or not?

Mr. ARNOLD. I consulted his offices and residence, and used due diligence, and telephoned every 30 minutes, but he had not arrived up to the time I last telephoned.

Senator WOLCOTT. You say that you will be ready to go ahead to-morrow whether he is here or not?

Mr. ARNOLD. I would not crave the further indulgence of this committee.

Senator OVERMAN. I think we will postpone it until 11 o'clock to-morrow.

Mr. ARNOLD. If he is not here I will go on anyway.

Senator OVERMAN. Very well, 11 o'clock to-morrow.

Mr. ARNOLD. All right.

Senator OVERMAN. Can you proceed with anything else, Maj. Humes?

Maj. HUMES. No, sir; the witnesses that were being delayed by reason of this postponement would probably take a couple of days.

Senator OVERMAN. Will Mr. Swenson be here to-morrow?

Maj. HUMES. Yes; he is to be here in the morning?

Senator NELSON. Who is that?

Maj. HUMES. Mr. Swenson. That is in connection with the same general matter.

Senator OVERMAN. We will take an adjournment until 11 o'clock to-morrow.

(Thereupon, at 3.15 o'clock p. m., the subcommittee adjourned until Wednesday, January 15, 1919, at 11 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

WEDNESDAY, JANUARY 15, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 11 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman) and Nelson.

Senator OVERMAN. I want to put upon the record the fact that Senator Nelson is always on time. He is always present when he should be. I want to put that upon the record.

The committee will come to order. We will not wait for the other members of the subcommittee. They will doubtless be in shortly. Senator Thomas is here, and we will be glad for him to make a statement.

STATEMENT OF SENATOR CHARLES S. THOMAS, OF COLORADO.

Senator THOMAS. Mr. Chairman, I am here in what I conceive to be the discharge of a personal and public duty.

The Washington Post of this morning contains what purports to be the substance of so-called testimony of one Austin J. Smith before this committee yesterday, which assumes to involve the good name and loyalty of three citizens of the State which I, in part, represent in the Senate. I seldom indulge in expletives, but I want to say in advance that this man, Austin J. Smith, is an unsuccessful black-mailer, an unmitigated liar, and a man whom I believe to be a forger.

In the month of October, 1916, a prominent business man of Denver, whose name I do not care to use, informed me confidentially that one Austin J. Smith was in possession of information of a very formidable character, involving the conduct of a prominent newspaper in the southern part of the State and the proprietors of that paper in an intrigue with German influences and contrary to the neutral position which this country then occupied in the war, and he thought I should see him. Shortly afterwards this man appeared at my office in Denver.

The substance of his story, then, was that he had been connected with the editorial staff of the Pueblo Chieftain, and that while there a telegram had been received from Ambassador Bernstorff which he had secured possession of in the interests of the Government and because of his own conceptions of the duty he owed to the country.

The telegram purported to be signed by Bernstorff, and, as I now recall, referred the papers to the then German consul at Denver. I did not believe that Bernstorff was rash or foolish enough to use the

wires in any such way unless the business itself was legitimate. But this man appeared to be very earnest, and told me that he knew letters on file in the office of the Pueblo Chieftain which he was willing to take the risk of securing if they could be made useful to the Government.

I neither recommended nor opposed the suggestion. He then told me that he was a Democrat; that among his other purposes was that of aiding the Democratic campaign, the presidential campaign, and that he would like to come on to Washington and be put in touch with the State Department. I told him that if he would go to the Democratic headquarters in Washington and consult with Senator Walsh I would see that his expenses were paid. At the same time I told him very candidly that I did not take any stock in the telegram which he possessed, a copy of which I took and afterwards destroyed; but that if Senator Walsh, then in charge of the campaign headquarters at Chicago, thought enough of his story to send it further, I would apprise the Secretary of State that he should have an interview.

I did not see nor hear of this fellow for some time afterwards. And I will say another reason why I thought his story was preposterous was my acquaintance with Isaac N. Stevens and Mr. A. A. Swain. These gentlemen are prominent Republicans in my State; they are citizens of unquestioned standing and character, and I number them among my warm personal friends. I did not speak to them about this matter, because the gentlemen who sent Smith to me assured me that any statement he made would be confidential. I subsequently discovered that he did not go to Chicago at all.

Subsequently—and, as I recall, in the month of February or March 1917—this man appeared in my office in this building, saying, in substance, that he had tried in vain to secure an audience with the powers that be, but they seemed to be as much opposed to receiving information of importance to the Government as he was anxious to impart. I asked him if he had the letter to which he referred, and he said he had not.

I then told him that as far as I was concerned I did not want to hear anything more about it. He then intimated that he thought he should be compensated for the efforts which he had made, both to his Government and his party, and that he was strapped, or wanted to that effect.

I told him that, as far as I was concerned, I should neither pay him nor recommend anybody else to pay him, and that I was satisfied his whole scheme was one of blackmail, which aroused an apparent protest, accompanied by a slight show of indignation.

Shortly afterwards I informed Mr. Swain and Mr. Stevens of this incident, and was not at all surprised when they told me that he had begun this campaign of his by demanding money from them in consequence of which they had, metaphorically speaking, kicked him out of the office and out of further employment with the paper.

Mr. Swain also told me at that time, and Mr. Stevens subsequently, that the whole thing was a scheme which either he or some one for whom he had concocted, and that the purpose was, if possible, to secure money by purchasing his silence.

During his interviews with me—and there were three or four of them—he never intimated that he knew Bernstorff, that he ever

him, that he had ever had any contact with anybody connected with the matter, his sole source of information being what he had heard in this office and his apparently surreptitious theft of this so-called telegram.

I informed the gentleman who had first brought the subject to my attention of the character and conduct of this man and advised him to beware of him. He also said that the sum of \$1,500—I think that was the amount—had been paid in advance to the proprietors of this paper through the German-American Trust Co., of Denver. It so happened that the man who sent him to me was a director in that institution, and he could find no trace of any such thing. I asked particularly if any of the articles which these men were to publish as consideration for this money had appeared. He was unable to direct my attention to a single one of them.

He now comes before this committee at this belated time with a statement that is entirely different from the statement that he made to me, and evidently made for the same purpose.

The dispatches have gone out carrying the story that these three gentlemen were engaged in an intrigue, which was virtually treason against their country, with the recent German Emperor. It is an outrage that they should be subjected to any such imputation. I hope that what I have said will be given similar publicity in their interest.

I am not so well acquainted with Mr. Eidler; I know him slightly and I know of him. He is at present the managing editor of the paper. He is an American citizen—loyal, upright, and respectable. Mr. I. N. Stevens has never had anything more than a nominal connection with the paper for the last four or five years. He is at present president of Philadelphia, president of one of the most prosperous insurance companies in that city, a native-born American citizen, a native of Ohio, and a patriot in every sense of the term.

I am obliged to you, gentlemen.

Senator OVERMAN. Much obliged to you, Senator.

Senator KING. Mr. Chairman, how did this man make his appearance before this committee?

Senator THOMAS. I might add, if there is any way to prosecute that man for perjury before this committee (he testified under oath) it ought to be done.

Maj. HUMES. Senator Thomas, for your information, there is the original letter of introduction of the Austrian authorities and referring to the conferences that he had had with them [handing letter to Senator Thomas].

Senator THOMAS. Do you know what the date of this is?

Maj. HUMES. No, sir. Here is the translation.

Senator THOMAS. It is a little curious he did not call my attention to this, when he was so anxious to serve his country. He never mentioned it, directly or indirectly, to me at the times of which I speak.

Senator OVERMAN. Is that a letter of introduction?

Senator THOMAS. I do not believe he had that letter at the time. Of course, that letter does not in any way inculcate the gentleman.

Maj. HUMES. It was evidence of the genuineness of the witness in presenting himself to testify to the committee.

Senator THOMAS. I am not finding fault with the committee or the intelligence section of the United States for heeding this man's statements, because I did the same thing, and because he has taken several

people in, but that does not do away with the fact that he is a liar, a blackmailer, and I say it deliberately, fully aware of the personal consequences that may result from it.

Maj. HUMES. I call the attention of the committee to the fact that Mr. Smith filed yesterday not a copy but what purports to be an original telegram from Bernstorff.

Senator OVERMAN. Have you yet examined those editorials which he filed?

Maj. HUMES. I have some of these editorials; yes, sir.

Senator OVERMAN. Are they pro-German or not?

Maj. HUMES. Here is one of the editorials he presented, which is defending Von Papen and Boy-Ed, and saying they should not be withdrawn, or should not be ordered back home, and the other is an editorial entitled "Questionable Diplomacy," defending Dr. Dumba and saying he should have been recognized by this Government. Those are two of the editorials that I have read. There are several others, the whole text of which I have not yet undertaken to read.

Senator OVERMAN. I think you had better read in all of these editorials.

Senator NELSON. They ought to be put into the record.

Senator OVERMAN. In justice to him he is entitled to have these editorials go on the record.

The editorials referred to are here printed in the record as follows:

QUESTIONABLE DIPLOMACY.

It is not a matter of doubt whether Dr. Dumba, the Austro-Hungarian ambassador in Washington, has been guilty of any impropriety in his official conduct. But it certainly was not improper that he should notify Austro-Hungarian subjects resident in the United States that they could not expect assistance in the manufacture of war munitions for Great Britain and her allies without infringing upon their loyalty to the nation of which they are citizens. As we understand it, has been the extent of Dr. Dumba's activities, and these are no more obnoxious than the activities of the British ambassador in Vienna in forwarding the manufactures of munitions and in facilitating the payment of them.

If Dr. Dumba has undertaken to control the conduct of naturalized American citizens who have renounced their allegiance to Francis Joseph and his government, that is quite a different matter. It is also a different matter if he has made an effort to disorganize and to obstruct the course of American industry without regard to the Austro-Hungarian subjects employed there.

PERSONAE NONGRATAE.

[From the Pueblo Chieftain, Monday, Dec. 6, 1915.]

The request of the State Department for the immediate withdrawal of German men, military and naval attachés of the German embassy, opens several interesting topics for discussion.

As a matter of diplomatic practice, the department is entirely within its rights in asking for the recall of these men. It does not matter what they have done or left undone. It does not matter whether or not they have violated any laws of this country. It does not matter whether or not the State Department or any other department has any evidence to prove that they have done anything which they ought not to have done. If the State Department wishes, for any reason, for their recall, it has a right to make that request, and the other government concerned has no reason in diplomatic custom to feel that it has any cause for complaint.

When we consider the relations of the German people and of the people of the United States, however, there are certain circumstances that come into question, which are not strictly matters of diplomatic practice at all, but which are rather matters of public opinion and of what may be called "public policy."

If it is a matter of some importance to hold the good will of the German people toward the people of the United States, so far as is practicable under present conditions, and also to hold the course of the Government of the United States strictly neutral and without offence to Americans of German birth and descent, it would seem that no complaint of this kind ought to be made at the present time against any official connected with the embassy of any belligerent government, unless the activities of that person are of such a nature as to be inconsistent with the laws or the national interests of the United States.

In spite of the vast amount of public talk of criminal activity on the part of German or Austrian agents or sympathizers in the destruction of property and the endangering of life, we are not aware that a charge of this kind has been made against these two men. They have been accused of trying to help German commerce raiders in a manner not prohibited at that time by the laws of the United States. The case against them, it is said, is not capable of legal proof, "consisting of an accumulation of suspicions, circumstances, and conditions which connected the attachés with attempts to violate the neutrality laws of the United States."

When one considers the various activities that have been manifested in this country in connection with the efforts to supply arms, munitions and other materials of war for the enemies of Germany, it appears clear that our Government should be slow to act against German agents or supporters who were trying to do what they could, lawfully, to help the German cause. It may be that the anti-German activity was not unlawful, but if our Government was to preserve its neutrality, in the face of such activity it was not good judgment to take summary action against German attachés without showing of good reason.

It would have been better to have avoided action in this matter, or else to have presented a clear showing of reason for taking this action. For this reason we say, that the administration in this case has demonstrated once more its inability to follow a strong, wise and dignified course that commends itself to the judgment of fair-minded and impartial Americans.

Maj. HUMES. Here is another editorial, entitled "Successful publicity," the last paragraph of which reads:

Sentiments may be against Germany, but she has managed to keep admiration with her, and one is as broad as the other.

(The editorial here referred to is printed in the record, as follows:)

[From the Pueblo Chieftain of Dec. 6, 1915.]

SUCCESSFUL PUBLICITY.

Many are wondering why the Germans undertake the Balkan drive at this time. We are not a member of any inner circle of the German military staff, but we suspect it is for the purpose of distracting attention from the western theater of the war.

Whatever else Germany has, she is a rattling good press agent. Every time the allies pull a stunt that should give them a week's run of good stuff, Germany does something to counteract it. When France was driving the Germans back from Paris, a German submarine sank three English cruisers and held the attention of the world in the North Sea while she retreated to her present line of trenches.

A little later when the English troops were getting the best of it along the northern line of trenches, she sent her ships over and shelled the English coast towns. And so it has been all through whenever and wherever she has been given a defeat she has offset it with a spectacular move of some kind.

The allies' big drive started in earnest three weeks ago, but how long did it occupy the front page? Not over four days. By that time Germany had sprung the greatest sensation of the war, her determination to drive through the Balkans and march to Constantinople. No one knows what is happening in the big drive. Germany may lose a few miles or a few hilltops, but if she does no one will know for the drive through Serbia is the headliner.

What the allies need is some one who can plan press agent drives just at a time when they are getting the worst of it. Some one who can come up smiling and hit back with a punch that can be heard round the world.

Sentiment may be against Germany, but she has managed to keep admiration with her and one is as broad as the other.

(The following editorials submitted by Senator Thomas are printed in the record as follows:)

[From the Pueblo Chieftain of July 21, 1916.]

THE LATEST COMPLICATION.

The "Wilson Waltz" has been outlined as "one step forward, two back, side step, and hesitate," all of which is both apt and applicable. The latest illustration is to be found in the complication of circumstances to arise as a result of the appearance of a merchant submarine.

The Wilson administration has gone on record as declaring that a merchant ship must not be destroyed without warning and without giving its crew passengers an opportunity for escape, and has insisted that an established principle of international law must be observed until changed by international agreement even tho material conditions may have changed by such invention as the submarine and the airship. It has declared that a German submarine must be governed by this rule, even tho a single rifle bullet from the merchant ship might cripple or destroy the submarine.

And now comes the submarine merchantman, which under the principle declared by the Wilson cabinet, must not be sunk without warning by an armed cruiser, or without the opportunity of escape for its crew. And if an American citizen should happen to be a passenger on the Deutschland or its sister ship and the life of that American should be lost an offense would be committed against the honor and dignity of the United States which would justify the President in writing at least another note demanding satisfaction.

It is quite possible to imagine a British cruiser in close proximity to the scope of an unknown submarine waiting to investigate whether that submarine is a peaceful merchantman or an armed torpedo boat, but no incident of this kind is likely to be recorded in the history of this war. If the Deutschland is sighted by an allied cruiser there will be no thought of warning, examination or escape for the crew. The cruiser will shoot as quick and as fast as possible and if the Deutschland escapes it will be because he gets under water before the shot hits her. If there is an American on board, so much the worse for the American. And President Wilson may continue writing notes until the end of the war, or until the end of his presidential term, or until it suits his pleasure to stop writing them, and it will make no particular difference to any one.

[From the Pueblo Chieftain of May 9, 1915.]

THE SINKING OF THE LUSITANIA.

In so far as concerns the death of the Americans who were aboard the Lusitania many things must be taken into consideration before we can arrive at any just conclusion concerning either our governmental duties or our private opinions.

It must be remembered that each and all of these American passengers voluntarily went aboard the Lusitania, after having signed a waiver of all liability for damages for any untoward accident that might take place, and being fully cognizant of the dangers that beset their paths by going into the war zone of Europe and into the waters where the Germans have maintained an armed blockade for many weeks.

It is to be presumed that these passengers were satisfied with the protection as well as with the dangers involved in sailing under the British flag and on a British ship. They also knew that this ship carried large quantities of munitions of war for the use of the Allies against the Germans and they also had the knowledge that there were other nearby sailing dates of ships flying the American flag.

Therefore, it would seem that these passengers, bent on pleasure or business as the case may be, had ample knowledge of the risk they were taking.

(The following letters, ordered by the chairman to be inserted in the record, are here printed in full, as follows:)

18 WEST ONE HUNDRED AND EIGHTH STREET,
New York City, December 11, 1918.

HON. LEE S. OVERMAN,

Chairman of Senate Investigating Committee, United States Senate, Washington, D. C.

SIR: The inclusion of my name in the "Important List of Names" of the German agent, Dr. Fuehr, and Mr. Bielaski's remark that this list consisted of pro-Germans require me to make this answer, so far as I personally am concerned. I never saw Dr. Fuehr nor even heard of his name until the publication of Mr. Bielaski's testimony. I have no knowledge whatever of the reason for the inclusion of my name in his list.

As Assistant Professor of European History in Indiana University I have had many occasions to discuss the issues of the war. Ever since the sinking of the *Lusitania* I have not merely privately but also publicly both in class and in the press strongly advocated the entrance of the United States into the war against Germany, as my students and associates can readily testify. More than that, I then began an active study of the methods and aims of German propaganda both in this country and abroad (during 1915-1916 while in Spain as a Traveling Fellow from Harvard University I had an excellent opportunity to study certain phases of German propaganda there).

The result of this study was a series of lectures on German Propaganda which I delivered during the academic year of 1917-1918 in Indiana University as a part of a general course on the Causes of the War. In these lectures, one of which appeared in the April 1918 Alumni Quarterly of the University, I pointed out how, previous to our entrance into the war, Germany sought to prevent our participation, and how, failing in that, she sought to render our participation ineffective, or worse than ineffective, by attempting to cause us to actively encourage the Allies to accept a German peace.

To those who know me and have known my views on the war the charge of pro-Germanism requires no defense. Were it not for the official character of the charge I should let it pass as unworthy of notice. As it is I should greatly appreciate your inserting this letter in the record of your Committee's proceedings. If any member of the Committee has the least doubt of the adequacy of this reply I hope you will accord me the privilege of a hearing.

Very respectfully yours,

JAMES G. McDONALD.

248 SOUTH TWENTY-THIRD STREET,
Philadelphia, Pa., December 11, 1918.

HON. LEE S. OVERMAN,

Chairman of the Senate Judiciary Committee, Washington, D. C.

MY DEAR SIR: In view of the fact that my name appears in a long list that was published in the press of this country a few days ago, said to have been found in the diary of a certain Dr. Fuehr, (agent of the German Embassy at Washington), that was laid before your Committee, I beg to submit the following statement in earnest protest against the unwarranted use of my name, and in explanation of my attitude towards the war.

I do not know Dr. Fuehr, and never heard his name until I saw the publication in the newspapers above referred to. I never had any connection of any kind with the German Embassy or with any kind of German propaganda, or any other kind of propaganda, before, or during, or since the war. The use of my name in the diary was, therefore, entirely unwarranted, and I beg to submit that the Department of Justice, before allowing that diary to be brought before your Committee as evidence, should have given those whose names appeared therein an opportunity of making an explanation. It is not fair to citizens in good repute to have their names published far and wide throughout this country as connected with a propaganda with which they not only had nothing to do, but which they strongly condemn, in common with all other fellow-citizens. I venture to think that it is the duty of a Department of Justice to protect citizens against unfounded implications, as much as it is the function of such a Department to expose persons who are guilty of misdemeanors.

As for my own attitude towards the war, I wish to say that at the beginning of the conflict in 1914, after my return from Munich, where I spent the summer

of 1914 engaged in research in my chosen field, I wrote a number of articles which were published in the Public Ledger of Philadelphia, and some of which were published in The New York Evening Post and The Nation. These articles were mainly concerned with "a plea for fairness and moderation" (as in the first article) regarding our judgments about the war. These articles and letters were written entirely on my own initiative and solely from a view of presenting certain facts and views which I thought might be of value and interest to others on the subject that was occupying the attention of the entire American public. My chief aim was to counteract the tendency which I regarded as unjust, to turn every incident and occurrence of the war to the disadvantage of Germany and to blame her for things which could not be laid at her door. The tone of these articles was moderate, and I must say that in the very first one I condemned the violation of Belgium's neutrality and I did so more specifically in a letter to The Nation, written in the early part of the war (dated February 20, 1915) and published in the issue of The Nation of March 4, 1915. At the same time, these articles indicated a sympathetic attitude towards Germany, the result of a strong intellectual attachment to that country, due to the training that I had received at German universities (after finishing my college course at the University of Pennsylvania) and further strengthened by repeated sojourns in that country, more particularly in Munich.

My attitude received a shock when reports concerning the treatment of Belgium by the German government and soldiery were confirmed, and this sympathy was entirely dispelled by the sinking of the Lusitania. Shortly after that inhumane act, I published in the New York Evening Post, of June 1, 1915, and likewise in the Public Ledger of the same date, an article expressing the horror of the act, and appealing to the friends of Germany to recall to her obligation to the world and to herself as one of the standard-bearers of civilization. Instead of making amends for her brutal act, Germany continued in the same course, which lost her the sympathies of those who still believed in her at the beginning of the war and forced them to become her enemies.

Since that time I have published two books on the war, (1) "The War and the Bagdad Railway" (Philadelphia, Lippincotts, 1917) and (2) "The War and the Coming Peace" (Philadelphia, Lippincotts, 1918), in which I set forth incidentally to my subject, in clear and unmistakable language my attitude of opposition towards Germany's policy, as revealed in the course of the war, and my horror at the brutal manner in which she was conducting the war. I refer you more particularly to the statement found on pages 124-126 of the former book, and on page 32 seq. of the latter, in which I condemn in unmeasured terms Germany's inhumane conduct, and mention specifically the insidious propaganda and the elaborate spy system organized by her, as part of a system that converted the war into a struggle for a great moral issue waged by the Allies and ourselves to save the world from the menace to liberty and civilization.

In view of this I feel justified in asking your Committee to be kind enough to include this statement in your records, and to ask also for your protection against the further unwarranted use of my name. For your further information, I beg to call attention to an error in the published list from February, in which I appear as being connected with the University of Wisconsin. That is not correct. I have never been connected with that institution; but I have been associated, as a member of the faculty, with the University of Pennsylvania, and as Librarian of that institution, for almost thirty years; and I add that I have resided in Philadelphia ever since my fifth year. The foregoing furnishes a further illustration of my contention that the Department of Justice, before submitting material as evidence, should first ascertain the facts.

I have the honor to be, Sir,

Obediently yours,

MORRIS JASTROW, JR.

(From Prof. Morris Jastrow, Jr., 248 S. 23d St., Philadelphia, Pa.)

[Horace N. Hawkins, attorney and counselor at law, 401-408 E. & C. Building]

DENVER, COLO., January 17, 1918

MR. ALVA A. SWAIN,
Denver, Colorado.

DEAR SIR: I have read with indignation the press dispatches containing the testimony given by one A. J. Smith before the United States Senate Committee.

touching the alleged disloyalty of Mr. I. N. Stevens, and you and others connected with the Pueblo Chieftain, and my indignation at the false statements of Smith prompts me voluntarily to write you this letter, which you may use as you please.

Had the Senate Committee made an investigation as to Smith before permitting him to testify, it would have easily learned that national and state officials had long since branded Smith as a blackmailer whose testimony was not entitled to the slightest credence.

I was appointed by Governor Gunter as a member of the first State Council of Defense organized in the United States, and have ever since been engaged in war activities. I am vice-president of the War Savings Committee of Colorado, vice-chairman of the Colorado Liberty Loan Committee, a member of the executive committee of the Denver Liberty Loan Committee, chairman of the Denver Legal Advisory Board for Division 7, and a member of the City Council of the City and County of Denver. It has been a part of my duty to watch for the slightest evidence of disloyalty in Colorado. In all of this work I have been constantly in touch with the officers of the Federal, State, and City government. My services in Colorado have been commandeered by the authorities at Washington in prosecuting disloyalists in other states. I ought, therefore, to have some right to speak when the loyalty of a Colorado newspaper and Colorado citizens has been attacked.

I am not a member of the political party to which Mr. Stevens, and you, and the editors of the Pueblo Chieftain belong. On the contrary, as you know, I was the chairman of the recent state convention of the Democratic party. I ought, therefore, to be able to speak without any political leaning towards a Republican newspaper.

In all of the war activities in which I have been engaged, the councils, and committees, and patriotic organizations with which I have been connected have had magnificent and splendid support from the Pueblo Chieftain, and its officers and editors. No newspaper in all the United States has been more loyal to the government. The Chieftain, in every line and in every issue, has breathed the highest spirit of patriotism. It has consistently put aside opportunity to make political capital, and has whole-heartedly aided Democratic national and state administrations. It is only common justice and decency, therefore, that I should denounce as wickedly and false any aspersion upon patriotism of the Chieftain or those connected with it.

I desire to add what I know personally about the Smith charges. Quite a number of months ago you and Mr. Stevens called upon me as a member of the Colorado State Council of Defense, and told me of the statements which Smith was circulating, and which he has now been permitted to repeat to the Senate committee. You both asked for a full and open investigation of the matter by the Colorado Council of Defense. I made an investigation of Smith at that time, and found that he was an irresponsible faker, whose story was based upon bogus telegrams concocted by himself, and purporting to be to and from Count Bernstorff, none of which telegrams had ever passed over the wire, or had ever been sent or received. I found that the Federal secret service regarded Smith as unworthy of the slightest credence, and had simply manufactured the story out of whole cloth to get even with the Chieftain for being discharged from its employment. At the conclusion of my investigation I told you that neither the Chieftain nor its people needed any vindication from any charges made by such a man. You and Mr. Stevens insisted upon the investigation. I never dreamed that any public body would ever allow such a man as Smith to repeat his fake stories in public. The charges were so ridiculously absurd that I did not think them worthy of being brought before the State Council.

Before closing this letter, Mr. Swain, I want to say to you that all of us in Colorado who know the great work you have done for the United States will ever gratefully remember your service. I can enumerate but a few of the many activities which I personally know you have been engaged in. At one time since the war broke out, a great strike of miners threatened to paralyze every war activity of Colorado. You, to my personal knowledge, worked day and night to avert the threatened catastrophe, and your work, indefatigable as it was, had a great influence in enabling Colorado to have industrial peace and to successfully do her duty by our nation in time of war. You were personally responsible, to a large extent, in the raising of the many millions of dollars which the national government asked Colorado to raise to send our boys across the water, and feed and clothe them while fighting against the Hun.

You spoke day and night as a "four-minute man" to arouse our people to what patriotic people should do in such a crisis. All of these things, and others, came under my personal knowledge. I know that in the face of times being in ill health, you did the patriotic work of a half dozen of men, and you can rest assured that you have the strongest possible approval of all of us whom you so faithfully and so successfully and efficiently aided.

Yours truly,

HORACE N. HAWKINS.

[State of Colorado, Insurance Department. C. W. Fairchild, commissioner; J. H. Rolph, deputy.]

DENVER, January 18, 1917.

Mr. ALVA A. SWAIN.

*Manager, The Pueblo Chieftain,
420 Ernest and Cranmer Building, Denver, Colorado.*

MY DEAR MR. SWAIN: I am amazed at the statements made before the investigating committee at Washington by one of your former employees which the loyalty of the Pueblo Chieftain and you as one of its owners questioned. Nothing could be farther from the truth. I have known you about ten years during which time I have been honored by having your friendship. You assisted me as chairman of a committee of insurance men campaign among the insurance agents of this state in combating and putting down pro-German propaganda; I have listened to your splendid patriotic talks as a four-minute man; I have read forceful editorials on the war written by you; I have discussed with you plans for the carrying on of various war activities. No one who knows you will credit for an instant the statements imputing your patriotism; and to my notion the man who made them is of unsound mind and an unsafe individual to be at large.

You and I are of opposite political faith, but I am for square dealing and justice before party politics, and if justice prevails you need have no fear of your high standing in Colorado as a forceful patriotic citizen will be impaired in the slightest degree as a result of these ridiculous charges.

With kindest personal regards, I am

Very sincerely yours,

C. W. FAIRCHILD, Commissioner.

CWF:S

[United States of America, Treasury Department. Federal Reserve Bank of Kansas City, Mo., Fiscal Agent. Liberty Loan Committee, tenth Federal reserve district: J. L. C. Kansas City, Mo., executive manager; W. R. Rowe, Kansas City, Mo., executive secretary; J. Z. Miller, jr., Kansas City, Mo., chairman; Asa E. Ramsay, Kansas City, Mo., deputy chairman; O. T. Eastman, Omaha, Nebr., deputy executive manager; C. A. Harhardt, Denver, Colo., deputy executive manager. J. M. Worley, director bureau of publicity. E. E. Violette, director speakers bureau. P. W. McMahon, director bureau of supplies. Colorado division: Harold Kountze, Denver, State chairman; H. L. Vogan, Denver, secretary; Hugh McLean, Denver, chairman speakers bureau; Alva A. Swain, Denver, chairman publicity bureau.]

DENVER, COLO., January 18, 1917.

Honorable CHARLES S. THOMAS,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR THOMAS: I am in receipt this day of a telegram from Mr. Stevens asking for an affidavit in re the investigation conducted by the United States Senate Committee on German propaganda. I am attaching an affidavit of my own, together with a letter from Mr. Horace N. Hawkins, the Colorado State Council of Defense; a second letter from Hon. Julius Gunter, War Governor of Colorado; and a third letter from Mr. Claude Fairchild, Commissioner of Insurance of Colorado. The letter from Mr. Hawkins and the one from Mr. Fairchild came unsolicited. After Mr. Smith made his testimony, Gov. Gunter and I were discussing it and I suggested to the Governor that if I had to go back to refute it, or if I had to send an affidavit, a letter from him as to my activities in support of his war program would be appreciated. Gov. Gunter readily consented to give me such a letter and this afternoon when he handed it to me stated that if there was anything I wanted in there regarding my loyalty or war work that he hadn't put it to call his attention to it and he would rewrite the letter and include it.

I believe these three letters, together with your statement before the Committee, and the statement of Rolland K. Goddard, the United States Secret Service Agent, who investigated Mr. Smith's story, which statement was printed in the Rocky Mountain News the day following Mr. Smith's testimony, should clear this matter up. As to Mr. Goddard, I never met the gentleman in my life, and would not know him if I passed him on the street to-day. When the Smith testimony was published in the afternoon papers, he, Goddard, voluntarily made his statement to the morning papers. Last night I phoned and thanked him in behalf of Mrs. Swain and myself for having made his statement and told him that we appreciated it all the more because of the fact that I had never seen him and did not know him. Mr. Goddard's only comment was that he did what he felt to be his duty as an American citizen.

I will appreciate it if you will file these letters and my affidavit with the Senate committee. If there is any doubt in their minds regarding the falsity of Mr. Smith's statements, I will be glad to furnish any further evidence necessary to clear up that doubt. Since the story has become public a number of gentlemen, with whom I had not personally discussed it, have come to me and told me incidents in the Denver life of Mr. Smith showing him to be a professional fakir. About a month ago Mr. Harry Mulnix, our State Treasurer, met him in California and Mr. Smith told Mr. Mulnix a story about having been appointed to the position of Publicity Director of the Colorado Fuel and Iron Company for 1919 in Denver; that his children had the "Flu", and that he needed some money until he could get a check from the Colorado Fuel and Iron Company to get back to Denver. Mr. Mulnix loaned him \$15.00 and, of course, never heard of it again, and afterwards learned that there was nothing to his story. Many such stories have come to my notice since his testimony. You know the caliber of man he is. It was unfortunate that the Chieftain ever had such a man in its employ.

I do not know that I ever told you, and I have not used it against Mr. Smith before, even during all the time that he was circulating these rumors in Denver, but it is a fact, nevertheless, that he still owes me the money which I loaned him to bury his Mother and his baby, and to help bury his Father. He has not even paid the interest on the loan.

As you know, Senator Thomas, I have lived in Colorado since Dec. 13, 1897. I quit a three and one-half years' sick bed and started to fight my way to a position of some prominence in this State. I believe every Governor, every other state official, together with every Senator and Representative of this State since 1900 would, if asked, testify in my favor as a factor for good in the up-building of this commonwealth. Mr. Smith is the only man in all that time who ever uttered a word directed against my loyalty and patriotism. In refuting his statements I submit the testimony of yourself and others who have known me during the twenty years I have lived here, together with my own affidavit.

In discussing this matter with Mrs. Rolph, Deputy Insurance Commissioner of Colorado, today she said: "The publicity given to you by reason of Mr. Smith's making his statements, will re-act against you, where you are unknown, for years to come. You can take a sack of feathers to the top of the Capitol Building and spill them out; later you can gather up, perhaps, the most of the feathers, but some of them you will not find and they will blow out of the wedges, across your path, when you are least looking for them."

Mrs. Rolph is correct. Mr. Smith's testimony will blow out across my path during my entire life, when I am least looking for it. I care very little so far as I am concerned, but out at my house are a couple of boys and I don't want the feathers from my life to blow across their paths. Hence I ask that you have inserted in the Senate Committee Records the testimony of yourself, Governor Gunter and Mr. Hawkins, who know me for what I am, in order that in the years to come if any one refers to this Smith incident in a manner impeaching my loyalty to my boys, they will have the public testimony of men of your character and standing to refute it.

I have sent copies of all this correspondence to Mr. Stevens at Philadelphia. Mrs. Swain joins me in thanking you for all you have done in this matter.

Very sincerely yours,

ALVA A. SWAIN.

AAS/M.
Encs.

[Law offices, Julius C. Gunter, 529-35 Equitable Building. Julius C. Gunter, M. Lindsey, Langdon H. Larwill.]

DENVER, January 18, 1918.

MY DEAR MR. SWAIN: I have noticed certain statements in the press reporting to question your loyalty to our country. I am very glad and justified in saying and stating that immediately after declaration of war by our country against the Imperial Empire of Germany, I called you, together with certain other loyal citizens of the state, into conference. I especially relied upon your aid and patriotism in reference to the activities of the press of the state.

I had made up my mind to convene the State Legislature in extraordinary session and to ask it to pass such war legislation as the state would need in meeting its obligations to its own citizens and to our country in time of war. I outlined to you the general legislation I intended to ask. You very earnestly and personally and thru the press and especially in the Chieftain, urged the people of the state to support their Governor and upon the Legislature to grant to their Governor what he asked in the way of war legislation.

You further advised me, as the Governor, that a meeting of the Editorial Association of the State should be called in aid of war legislation and war activities. With my approval, you took steps at once and were very active in gathering the press of the state in session here in Denver. This session of the press of the state was very largely attended and did honor to the patriotism of the members of that profession thruout the state. They came from all parts of the state however far removed from our capitol city, bore their expenses, gave audience to the war program of the Governor, announced their intention to support it and went to their respective homes and earnestly urged upon the people of the state to do as you had already spoken thru the Chieftain, loyally support the war program of the Governor. This action of the press was without regard to party or religious faith.

From that day to this, I have frequently conferred with you as to the war activities of the state, including especially the Liberty Loan and War Savings campaigns.

At your instance and suggestion, I wrote many letters in aid of these undertakings and issued a number of proclamations. Some of them you aided in the preparation of. As to practically all of them I had conferences with you before the letters were signed or the proclamations issued.

As the Governor of your state and as one of its citizens, I am grateful to you for your patriotic activities. I have never had the slightest doubt nor have I now, as to your devoted loyalty to our country. You have at all times been most earnest and effective in your patriotic work and I am pleased to be able to so speak. It was with my knowledge and approval that you were called in the publicity department of the above campaigns by Captain John Evans.

I have known the Honorable I. N. Stevens for a great many years. I had no direct or indirect conferences with him that I now recall as to war activities. I have, however, at all times found him a public spirited citizen. I have not now and never had the slightest doubt as to his loyalty to our country.

As to the Chieftain of which you, Mr. Swain, are one of the editors, this newspaper has been at all times during our war activities a most loyal and influential factor in the support of the state and nation. At no time have I had the slightest doubt of its patriotism and that of its editors.

Very respectfully,

JULIUS C. GUNTER

Mr. ALVA A. SWAIN,
419 E. & C. Building, Denver, Colo.

IN RE INVESTIGATION CONDUCTED BY UNITED STATES SENATE COMMITTEE ON GERMAN PROPAGANDA.

STATE OF COLORADO,
City and County of Denver, ss.

Alva A. Swain, first being duly sworn, upon oath deposes: That he is a citizen of the United States and a resident of the State of Colorado; that he was born in Bartholomew County, Indiana, March 25th, 1874, and that both of his parents were native born citizens of the United States, both having been born in North Carolina; that affiant has resided in Denver, Colorado, since December 13, 1897, and that he has been manager of the Denver office

the Pueblo Chieftain, a daily newspaper published at Pueblo, Colorado, since March 1st, 1903;

That he is acquainted with one A. J. Smith, who is reported through the press as having testified recently before the United States Senate Committee on German Propaganda; that said Smith was at one time employed by the Chieftain as a subscription and advertising solicitor; that he was discharged from said position, and has had no connection with the Chieftain since June 1, 1916; that at no time did the said Smith have any authority from any one to either solicit or receive subscriptions or advertising on any agreement, theory or idea, either expressed or implied, that any such subscription, or any such advertising should in the slightest control the editorial or other policy of the Chieftain, and at no time was any subscription or advertising turned over to the Chieftain by the said Smith with any statement or suggestion of any kind that any such agreement had been made, or any such inference permitted to be drawn;

That affiant was in close touch with the affairs of the Chieftain and the policy of its managers and editors, and knows that no permission was ever given to any solicitor or subscriptions to make any such agreement, or to do or say anything which would cause any inference to be drawn that the policy of the paper could be controlled through any subscriptions or advertising obtained; that no subscription or advertising order was ever taken except legitimate subscriptions which were filled, and no funds were ever received by the Chieftain or any one connected with it, from the said Smith, except for said legitimate subscriptions;

Affiant further states that according to press dispatches the said Smith testified before the Senate Committee that this affiant had a conference with one Dr. Ziegler, German Consul in Denver, touching the policy of the Chieftain. Affiant says that if the said Smith gave such testimony, it was unqualifiedly false, and that no such conference ever occurred at any time.

Affiant further is informed from the press dispatches that the said Smith testified that Mr. I. N. Stevens and this affiant sent him to see Bernstorff, the German Ambassador. If such testimony was given, affiant states that it is absolutely false, and that nothing of the kind ever occurred.

Affiant further states that in the summer of 1917, and after the appointment of Governor Gunter of Colorado of a State Council of Defense, this affiant learned that the said Smith was circulating a report similar to the testimony reported to have been given by him before the Senate committee, and affiant and the said I. N. Stevens thereupon went to Horace N. Hawkins, a member of the Colorado Council of Defense, a law partner for many years of Hon. Thomas M. Patterson, former United States Senator from Colorado, and repeated to the said Hawkins the stories alleged to have been circulated by said Smith, and requested that the said Hawkins present the matter to the State Council of Defense, and that an investigation be had and a hearing connected with said charges; that the said Hawkins made an investigation, the result of which is shown in a letter written by the said Hawkins to affiant, a copy of which is hereto attached and made a part hereof.

Affiant also attaches to this affidavit and makes a part hereof a letter from Gov. Gunter, Colorado's war governor, with references to the work this affiant did in connection with the Governor's war activities.

Affiant further states that he has occupied a number of public positions in connection with war activities; among others, Director of Publicity for the United States Treasury Department in Colorado for the sale of war savings stamps and Liberty Loan bonds. Before accepting any of these positions affiant was careful to tell the authorities, namely, John Evans, State Director of War Savings, Harold Kountze, chairman of the Colorado Liberty Loan Committee, and Samuel D. Nicholson, second chairman of the Colorado Liberty Loan Committee of the stories which Smith had circulated, and notwithstanding these stories said public officials appointed this affiant to said positions, and the said Mr. Harold Kountze appointed affiant to act on occasions as his representative in investigations which were made as to alleged disloyalty of certain Liberty Loan officials.

Affiant further states that he has only a partial report of the testimony given before the committee by the said Smith, but so far as he has the report, the said testimony is a fabrication from beginning to end.

ALVA A. SWAIN.

Subscribed and sworn to before me this 18th day of January, 1919.

[SEAL.] **ELLIS J. LEWIS, Notary Public.**

My commission expires May 13, 1922.

Senator OVERMAN. Have you not got a check here?

Maj. HUMES. No; he had a memorandum showing the date of the data with reference to the draft of \$1,080. Of course he would not have the draft. The draft would go through banking channels. It was a memorandum of the draft.

Senator OVERMAN. You can examine those papers afterwards. I may call the next witness.

Maj. HUMES. I would like to call Mr. Squires just for a moment.

TESTIMONY OF MR. GRANT SQUIRES.

(The witness was sworn by the chairman.)

Maj. HUMES. Mr. Squires, where do you reside?

Mr. SQUIRES. New York city.

Maj. HUMES. What is your business?

Mr. SQUIRES. I am an attorney.

Maj. HUMES. State if you were recently connected in any capacity with the Military Intelligence Division of the War Department and when you became so connected.

Mr. SQUIRES. April 23, 1917.

Maj. HUMES. In what capacity were you?

Mr. SQUIRES. I was an investigator.

Maj. HUMES. As investigator for the New York office of the Military Intelligence?

Mr. SQUIRES. Yes, sir.

Maj. HUMES. Will you state if, in connection with the investigations which you conducted, you had occasion to make some inquiry with reference to the publication of the Koenig book, on the trip of the *Deutschland*?

Mr. SQUIRES. I did.

Maj. HUMES. In making that investigation, did you come in contact with Mr. Bradford Merrill, of New York?

Mr. SQUIRES. I did.

Maj. HUMES. Will you state just what took place in that interview, and when it was?

Mr. SQUIRES. It was about November 10, 1918, by appointment made to meet him at his office, which was the office of the Hearst newspapers in New York, North William Street.

Maj. HUMES. Yes.

Mr. SQUIRES. Mr. Merrill claimed quite complete familiarity with the details of the contract or terms or agreement that had been entered into by Mr. Hearst with the representative of Capt. Koenig of Germany. I understand Mr. Merrill to say that while Capt. Koenig was in this country he had been asked to write out the story of the *Deutschland's* first successful voyage to this country for the purpose of selling it to the Hearst organization. Koenig demurred until he should have made a safe return voyage to his country, when he would endeavor to get the permission of his superior naval officers, or the Kaiser, to enter into such a contract.

Later he cabled, or sent a return message to this country, to Mr. Hearst's representatives, entering into an agreement for the presenting and selling of this story, the understanding being that the serial or newspaper publishing privileges should be bought at an outright

um, and that thereafter it should be optional with Mr. Hearst and his managers whether the matter should take on a permanent book form. If it did, Mr. Hearst entered into an agreement with the captain and his representatives abroad that the entire net profits from the sale of the book should be donated to the so-called German Navy pension fund, designed, not, I understand, to aid the victims of submarine accidents, but the officers and men of the German submarines and their families.

Mr. Merrill went on to say that the exact facts that I sought from his office were not then at his down-town office available for me, but by communicating with a Mr. Moore, who was the successor of a Mr. Perkins in the management of the Hearst publications uptown, the needed facts and data and figures could and would be obtained for me.

He then, while I was in his office, telephoned to Mr. Moore for that purpose.

Mr. Moore was out at luncheon, but he left word that he should be called as soon as Mr. Moore returned, when Mr. Moore would give him instructions that such an inquiry as I had brought had been presented to him, and that he, Mr. Merrill, wished Mr. Moore to examine the books and records of both the Deutschland Library Co. and of the Hearst International Publishing Co. for the purpose of learning from those books the particulars of publication, cost of publication, the numbers of books published, and the profits, if any.

I waited two or three days, and then the material was presented to me, first by telephone, and later by memorandum, which I took down from Mr. Merrill, which he claimed he had obtained from Mr. Moore in response to my first request, that I embodied in a short report, which I believe is in your hand.

Maj. HUMES. I show you a report, or a communication, dated November 12, 1918, addressed to the director of military intelligence, Washington, D. C., and signed Nicholas Biddle, lieutenant colonel, U. S. A., and ask you who wrote that?

Mr. SQUIRES. I wrote it; all but the signature, Nicholas Biddle.

Maj. HUMES. You dictated the report?

Mr. SQUIRES. Yes, sir; this is my report.

Maj. HUMES. And this is the report that was submitted, based upon the information you had received from Mr. Merrill?

Mr. SQUIRES. That is correct.

Maj. HUMES. Will you state as to whether or not, in your interview with Mr. Merrill, the Hearst International Library Co. and the Deutschland Library Co. were both discussed?

Mr. SQUIRES. They were both mentioned in my interview, and in Mr. Merrill's conversation back with me with reference to them.

Maj. HUMES. Was there any disclaimer, at that time, of the proprietorship of the Deutschland Library Co., or how did Mr. Merrill treat the Deutschland Co. in this conversation?

Senator KING. What did he say? Is not that the better way, rather than giving his inferences?

Mr. SQUIRES. I beg your pardon, Senator.

Senator KING. State what he said; do not state your conclusion.

Mr. SQUIRES. Having given no particular attention at that moment to the words he said, of course it must be a matter of my best recollection.

Senator KING. Surely.

Mr. SQUIRES. That he made no attempt to disguise that the Deutschland Publishing Co. and the Hearst International Library Co. were practically one and the same, although the Deutschland Library Co. had practically gone out of existence, so far as putting out any literature was concerned, with the entry of our country into the war. And he further said that a Mr. Perkins, who had been manager or direct representative of Mr. Hearst in connection with the Deutschland Publishing Co., no longer was with the company or with his organizations, but had been superseded by Mr. Moore. Mr. Moore then taking the place of the up-town manager for the publishing of the books that were called the Hearst publications, of which this Deutschland Voyage was the earliest publication. I think.

Senator KING. Mr. Moore claims that he never heard of the Deutschland Library until long after it is alleged that it was organized; that Mr. Perkins was employed by Mr. Hearst and had charge of the Hearst publications; that he was discharged, or was paid something for his contract which had not terminated; and that, after he had separated himself from the International, which was admittedly a Hearst organization, he, Perkins, and perhaps some other persons who may have been associated with him, organized what is known as the Deutschland Publication Co., if that is the name?

Maj. HUMES. The Deutschland Library Co.

Senator KING. The Deutschland Library Co.; and that that company had no existence, or at least that Mr. Moore had no connection with it—I am giving you his contention—and that it was not organized at the time he took employment at the hands of Mr. Hearst.

Mr. SQUIRES. That is just the reverse of the impression I received from Mr. Merrill, namely, that the Deutschland Library Co. had been in existence and were the publishers of the book in question, and that the Deutschland Co. preceded the Hearst International Publishing Co.; and it seems almost inconceivable that Mr. Moore should have really meant what you gentlemen have him on record as saying here, because he found no difficulty, at the order of Mr. Merrill, in finding out for me and for the office that I represented last November, and from the books of the two organizations, all about the publishing of this book in question; and he did get it, and furnished it to me within 48 hours.

Senator KING. Mr. Moore, if you will pardon me, claimed that it was published by the International; that is my recollection.

Maj. HUMES. The Hearst International.

Senator KING. Yes.

Mr. SQUIRES. All that I could learn was the other way—that the Voyage of the Deutschland was admitted by Mr. Merrill to have been a publication of the Deutschland Library Co.; that they ceased to publish under that name—very properly, probably—with the entry of our country into the war; and that the organization known as the Deutschland Library Co. did exist as early as September or October or November, 1916.

Senator KING. You made no independent inquiry, then, for the purpose of ascertaining who organized the Deutschland when it was organized?

Mr. SQUIRES. You say the "Deutschland". Do you mean the Deutschland Publishing Co.?

Senator KING. Yes.

Mr. SQUIRES. I made no independent inquiry other than I just detailed—that I sought to find out the details of the contracts subsisting for the publication of this book.

Senator KING. The book itself shows that it was published by the International and not the Deutschland.

Mr. SQUIRES. Notwithstanding that, I am very much of the impression that it was conveyed to me by Mr. Merrill that the book was published by the predecessor to the existing Hearst International Publishing Co.

Senator KING. Let me see if I am in error.

Mr. SQUIRES. The imprint looks to the contrary.

Senator KING. The title-page reads: "Voyage of the *Deutschland*, the first merchant submarine; by Capt. Paul Koenig, New York. Hearst's International Library Co., 1916."

Mr. SQUIRES. Yes.

Maj. HUMES. The purpose of this, Senator, was to justify the statement as to what the records of the Military Intelligence showed, because of the testimony which has been offered. We are not at all concerned, and I do not suppose this committee is, as to who owned it or what the Deutschland Library was; but in order to justify the testimony that has been presented here and to show just what it is based upon, we asked Mr. Squires to appear.

Senator NELSON. That report has not been read?

Maj. HUMES. No, sir.

Senator KING. In fairness to Mr. Moore the attention of the witness should be called to Mr. Moore's statement, I thought, and also to the title-page of the book, which would seem to contradict the statement of the witness.

Maj. HUMES. Yes.

We submit the report which Mr. Squires identified, as follows:

Referring to your letter of inquiry dated October 31st, Mr. Grant Squires of this office has visited the office of the subject and learned from those in charge of the financial end of that enterprise that the book written by Paul Koenig relative to the voyage of the "*Deutschland*" and which Mr. Hearst promised to pay all the net profits arising from the sale of the book to the Pension Fund of the Deutsche Ozean Reederei, to the effect that there were no net profits arising from the sale of this book but that its publication showed a net loss of between \$670 and \$680. This answer was only obtained after a careful examination of the books of both the Hearst Paper as well as the books and records of the Deutschland Library Co., which is an enterprise under the control of the Hearst's International Library Co. at No. 119 West 40th Street, this city, which is a subsidiary concern of the Hearst publication enterprises and to which are sent all books for publication.

It is stated by the Manager of this Bureau of Publication, that the book in question never was a success and never more than 250 copies of it were sold from an edition of nearly 1,000.

It is believed that the information above given, to the effect that Mr. Hearst at no time paid into the pension fund above referred to, any money as promised in case there were profits from the publication of the book, can be relied on.

NICHOLAS BIDDLE,
Lieutenant Colonel, U. S. A.

Senator KING. Mr. Witness, that report states: "On making an examination of the books." Do you mean that an examination of the books was made by—

Mr. SQUIRES. By Mr. Bradford Merrill, treasurer of the Hearst organization.

Senator KING. You did not mean to convey the idea that you did the examination of the books?

Mr. SQUIRES. I have made that clear. I made no attempt to deny that, because they were entirely within the control of Mr. Merrill and—

Senator KING. Just answer the question. You do not intend to convey that you, or anybody for the Intelligence Department, made an examination of the books?

Mr. SQUIRES. No, sir.

Maj. HUMES. Mr. Squires, was the statement of Mr. Moore called to your attention last week?

Mr. SQUIRES. It was called to my attention on Monday noon of this week.

Maj. HUMES. When that was called to your attention, what did you do?

Mr. SQUIRES. I said I should like to go over to the office of Mr. Moore and satisfy myself that he had said so, and demonstrate the contrary if he made such a statement under oath here.

I thereupon offered to go over, but I was urged not to go. So I went on my own account, contrary to the suggestion of those that had made the inquiry of. I went to the office of Mr. Moore, 119 West Fortieth Street, for the purpose of meeting the gentleman, and was told that he was in Washington; I was told that he had gone down there to straighten out for his bureau some questions that had been raised by the inquiry that you are conducting here, with reference to that particular book.

Before I indicated the book in question I asked the gentleman in charge in Mr. Moore's absence—having first asked to speak to Mr. Moore and learning that he was here—if I might have the catalog of the Hearst or the Deutschland Bureau's publications. I was handed, by the man in charge, a very brief printed list embodying perhaps 30 or 40 books. I told him that was not the list I wanted. That I wanted the full list that probably had been in existence a year ago, and that must have had many more books. He said that was the only one they were permitted to give out then, last Monday afternoon.

Then I asked him if I might not get from him a copy of a book that I was interested in, known as "The Voyage of the Deutschland" by Paul Koenig. He said: "No; we are not allowed to give out any more of those, or to sell any more of those." I said last November Mr. Bradford Merrill told me that I might have a copy, saying that he would ask Mr. Moore to send me a copy, but he had never done so. The young man said if I could get—meaning myself—if I could get Mr. Merrill's further confirmation of that promise of last November, he, the gentlemen with whom I spoke, would get me a copy from the shelves of the office I was then in. I thanked him and went away.

Senator KING. You saw nothing improper in his not giving you the book, did you?

Mr. SQUIRES. I saw nothing improper in anything there.

Senator KING. Because if the order had been given to suspend publication and to suspend the sale of the book, he was simply obeying instructions?

Mr. SQUIRES. That was perfectly proper, sir.

Maj. HUMES. What was the name of that gentleman, if you know

Mr. SQUIRES. I dislike to misspell his name. It was a name that could not properly repeat. It sounded to me as if it were spelled "L-e-b-u-r-r-y," if that gives any identification. He was either the first or the second assistant under Mr. McCann at the office of the Hearst publications on the eleventh floor at 119 West Fortieth street, New York City.

Maj. HUMES. In your investigation did you ascertain when Mr. Perkins left the employ of the Hearst International Library?

Mr. SQUIRES. I did not make any specific inquiry, but Mr. Merrill told me that he had left their employ some months previous to my talk, in November, 1918.

Senator NELSON. Mr. Squires, were you over in Europe during the war?

Mr. SQUIRES. I was in Europe during the months of November, December, and January—November and December, 1914, and January, 1915.

Senator NELSON. Where were you?

Mr. SQUIRES. I was in Belgium most of the time. I was one of the officers of the Commission for the Relief of Belgium, by appointment of Mr. Hoover.

Senator NELSON. Can you give us any information about German atrocities and barbarism in Belgium at that time?

Mr. SQUIRES. I would rather not, Senator, unless it is a part of your committee's duty to inquire into that.

Senator NELSON. Go on and tell us what you can.

Mr. SQUIRES. I entered Belgium over the line from the Dutch frontier in November, 1914, and helped in the organization of the relief committees in the cities of Liege, Namur, Charleroi, Mons, Louvain, and one or two smaller towns, where there were then only one or two Americans, of Mr. Hoover's appointment, then doing the business of caring for the incoming cargoes of food.

Of course, in going in there at that time I was practically at the heels of the German Army, and it was good business for me to behave myself so far as the new rulers of that country were concerned; so I only kept my eyes open. I did not run counter to their rulings.

Senator NELSON. What did you see and learn of the operations of the army in respect to the civilian population.

Mr. SQUIRES. Having traveled with the aid of a German passport that had been obtained for me by the courtesy of the Holland minister, Dr. Van Dyke, am I free to state what impressions I got of the German rule there, having accepted their hospitality?

Senator NELSON. Go on and state what you saw. Do not indulge in any circumlocution, but come right to the point.

Mr. SQUIRES. I have seen cities destroyed—leveled to the ground. I have seen the civilian population driven out of their homes with the butts of rifles.

I have seen old men and women brained because they did not work fast enough to suit their new rulers in the baking of bread.

I have seen the dining room tables of residences in Louvain put to use for the violation of women—young women, particularly—in Louvain.

I have seen places where babies were crucified on the doors of houses.

I have seen the bread lines in various towns before I left.

I have seen mothers bring to me their babies, to give them food which I could not give them because it was not possible to carry around in quantities to feed a thousand or two thousand in a town.

I have seen the insults of the German soldiery, mostly drunk, visited on women whom they met in the streets.

Senator WOLCOTT. Did you see whether the German armies took food that belonged to the civil population and used it themselves, thereby depriving the civilians of it?

Mr. SQUIRES. I did not see that. I understand at one stage in the occupation of the country they were rather careful to give tickets to those from whom they took food, so that within a few days after those same people could go to the German commissariat and get in return equivalent of what had been taken from them.

Senator WOLCOTT. Do you know whether they ever got any food on those tickets which were given to them in that way?

Mr. SQUIRES. I do not; no, sir. I do not think the Belgian population ever sought to redeem any German promises that were made that way. They were a cowed, terrorized people. Their only wish was to be permitted to live.

You can picture any town in which you have ever been which has been leveled to within about 4 feet of the ground, which was the condition of many of the cities that I visited. People who had been there ran up the alleyways, after their homes had been destroyed, whenever anyone in uniform came along. They would hardly, in those circumstances, enter into negotiation with them to redeem their tickets.

Senator WOLCOTT. Do you say that these villages had been destroyed by bombardment, or were they just ruthlessly and deliberately destroyed to terrorize the population?

Mr. SQUIRES. They were ruthlessly and deliberately destroyed largely by fire grenades, charged with explosives and with fire-igniting substances.

Senator WOLCOTT. Not as one of the ordinary incidents of warfare?

Mr. SQUIRES. Of their warfare.

Senator WOLCOTT. Of civilized warfare?

Mr. SQUIRES. Of the warfare of those that entered Belgium.

Senator OVERMAN. Where did these people live—in the cellars of their houses after they were destroyed?

Mr. SQUIRES. Yes; or out in the open.

It was the rainy season when I was there, November and December, and I frequently was accosted, in the day and the night time, by little children of 4, 5, and 6, being borne in the arms of little people also 10 or 12 years of age, asking for 2 sous with which they might buy a loaf of bread.

There was no shelter for the people in many of the towns. They lived in the open, where there was no protection for them at all.

Senator OVERMAN. No covering at all?

Mr. SQUIRES. Very little, in many of the towns.

In one town I was able to take a small deal table, longer than here, where we gathered 30 or 40 of the victims at the table and gave them soup or bread, as we were able to get it ready for them.

hurry, and there are one or two instances which I might tell you which are rather striking.

When I went into this place where they were being fed by some committee that I had helped to organize, they were eating loaves of bread and a little soup, and there were two gentlemen there who I thought were advanced in years, who sat at the table with nothing on but a pair of trousers. I said to one of them, "Where are you from?" and he said, "I am from Visè." Visè is the first town in Belgium after you leave the Dutch frontier that had not been completely demolished. Until the war broke out there had been 6,000 people, and there were none of them left. These people were fugitives. This old gentleman said, "I came from Visè." They were being fed there. I said, "How old are you?" And he replied, "I am 73 years old." I said, "That old gentleman next to you; who is he?" He replied, "He is my father; he is 91 years old." They were eating a crust of bread and a little soup there.

I saw that their feet were bare, that they had nothing on their feet, no shoes nor socks on their feet. And when they were given a pair of stockings, socks, without waiting to finish the food that they were making, they drew them on with great pleasure; because the penetrating cold was very searching even to those who were better clothed than they were. They were feeding in the open, and there was no shelter for them. It was just like a table being spread out on the sidewalk here.

Senator NELSON. Go ahead. Have you anything more to tell?

Mr. SQUIRES. It is not a case of anything more, Senator. It is a case of trying to forget it.

I was glad to be able to do anything like that. The organization of the committees was done by getting the names of a few Belgians who had been permitted to remain there by their German conquerors, and we organized them in this way: The moment I entered a town I went to the proprietor of a hotel that might be still remaining and took him into a car that I had commandeered on the frontier and made him take me to the homes of these half dozen Belgians, who were leading citizens in these various towns, and got them in some one place and asked them to organize this committee to receive the shipments of American grain, beans, and other food that might be sent to them, so that when the shipments arrived they should not be carelessly received and perhaps wasted.

Senator OVERMAN. In regard to these women that were violated in the manner you have stated, was that done in the presence of the German officers or was it done by drunken soldiers who were sky-arking?

Mr. SQUIRES. It was mostly the work of private German soldiers. I do not think the German officers were quite guiltless, but I imagine they might have done their acts under the cover of a house. The city of Louvain was famous for having had its tables and lounges brought out into the public square, where these acts were committed in the nighttime, just about as if it would be in the park outside of this building, as being easier, more convenient to the soldiery as they were about, to provide themselves with satisfaction of that sort.

I have even been at the doors of the houses when I have heard the shrieks of the women upstairs recovering from their treatment of the

night before, because they knew no difference between a German and a man from some other country and were afraid to open the door for me to give them something to eat, but I did not mind that.

It was mostly a case of trying to pacify these people, in view of the treatment they had received, and to let them feel that better things were coming to them in the way of food at least. That was nearly four years ago now, was it not, Senator? Four years ago.

It is very difficult for you gentlemen to realize it. It is not a pretty picture to be called on to redraw, and I had hoped that I would not be asked to do it. The mistake that I made was to come back here. That is all.

Senator OVERMAN. I suppose Senator Nelson asked you those questions because of a statement that was made here——

Senator NELSON. I asked you these questions to meet the imputations of Von Mach, who appeared here as a witness the other day and who insinuated in one form or another that the treatment of Belgian people by the German soldiers in 1914 was not worse than our soldiers had treated the people of the South in Sherman's march to the sea, and he also referred, I think, to the Philippine Islands.

Senator OVERMAN. Yes.

Senator NELSON. That is why I asked you these questions—to give us this information.

Mr. SQUIRES. They did not go through the country according to any practice that had ever been done in similar warfares in the past that I know anything about or have read anything about, nor in any of the countries that I have visited, and I have visited practically every country in the world.

Senator NELSON. They destroyed these villages, absolutely—razed them?

Mr. SQUIRES. Yes; Senator, for the purpose of the terrorization of the people, to reduce their morale and their ability to withstand the advance of the German armies.

Senator NELSON. And they crucified children?

Mr. SQUIRES. I have had places pointed out to me by fathers who had been crazed by the sight of their children hanging on gallows bells the night before. One man took me up to a door and showed me the nail points in the door where his little baby had been nailed the night before, because the baby got in the way of the German guard of four or five men and stepped on their feet, or in some way hindered their passage, and one of the men snatched up the baby and held it up against the door, probably in their drunkenness, nailed it up against the door, and it was dead in five minutes, I suppose.

Senator KING. You did not see the child?

Mr. SQUIRES. No, sir. The child was not permitted to remain there more than a minute or two after the soldiers went on.

I know it is very difficult to believe these stories, gentlemen, and that is one reason why I hesitate to tell them, because I am meeting the perfectly respectful questioning attitude of Senator King—that is your name, sir—but I have seen all that I have told you myself.

Senator NELSON. Are there many of those towns and villages in Belgium that have been razed to the ground—destroyed?

Mr. SQUIRES. Not so many completely razed. Many of them have been partially razed; notably Louvain.

Louvain has been destroyed to a degree for an offense committed, I am told, by the daughter of the mayor of the city who was entertaining the first incoming general officers of the German army who were occupying Louvain. I verified this, as far as it is possible to verify it, when the events were only a few days old, by speaking with some who were present.

It seems the incoming generals of this command, who had entered Louvain and taken it, were being entertained, as a matter of courtesy, by the burgomaster in his home, and he called on his daughter to bring in some light refreshments, cigars, and light wine for the entertainment of their guests that they had been compelled to receive from this German command, and while she was bearing in the cigars and wine one of the officers of the staff offered her an insult which he did not note at the time or make any reference to; but during the evening word of it came to the brother of the young woman, whereupon, with less consideration than he should have had for his father's guest, he went in and shot the man dead in the presence of the other German officers. Whereupon, they left the office of the mayor, and the next day the section of the town where the mayor's office was and where the family resided was burned. About one-third of the city, including the university, the town hall, the handsome section of Louvain, was destroyed that day.

There has been no other explanation given, and it was the penalty for the offense committed to these visiting German officers who were falling on the mayor.

This is hardly a part of your inquiry, gentlemen, but I am answering your question, sir.

Senator NELSON. Did you meet Cardinal Mercier?

Mr. SQUIRES. I never met him, no, sir; although I went through Malines.

Senator NELSON. In regard to that incident you referred to, relating to Louvain, my recollection is that they afterwards killed a woman in the case?

Mr. SQUIRES. In Louvain?

Senator NELSON. Yes.

Mr. SQUIRES. I really do not know anything about that.

Senator NELSON. I did not know but you knew. My recollection is that I saw something of the kind stated, and that they destroyed the house.

Mr. SQUIRES. They burned about one-third of the city—either burned or destroyed it; bombed or fired about one-third of the city of Louvain.

Senator NELSON. And that was the occasion of it?

Mr. SQUIRES. I was so told, and made some inquiries to verify it.

Senator NELSON. That is the reason they did that?

Mr. SQUIRES. I was so told.

Senator NELSON. I think that is all.

Senator OVERMAN. That is all, Mr. Squires.

I offer in evidence at this time a telegram that I have received from Mr. Garet Garrett, which he asks to have put into the record.

Senator KING. Who is he?

Senator OVERMAN. Some gentleman that was referred to by Mr. von Mach. He is the editor of Everybody's Magazine, or assistant editor—is that it?

Senator WOLCOTT. May I see the telegram, Mr. Chairman?

Senator OVERMAN. Yes; just read it, if you will.

Senator WOLCOTT (reading):

NEW YORK, Jan. 10, 1915

Senator L. S. OVERMAN,

Chairman Senate Committee Investigating German Propaganda.
Washington, D. C.

In relation to Edmund von Mach's testimony, touching an article he did write for Everybody's Magazine in 1914, will you please put upon the record the following statement: I was never editor of Everybody's Magazine. The editor in 1914 was Erman J. Ridgeway. It was Mr. Ridgeway's idea that we should get both sides of the case stated in the most radical manner possible. That we should get the highest available authority on each side to do it. So, we were to find a German authority to make a statement of Germany's case against England with as much latitude as he wished to have and then we should get an Englishman to state England's case against Germany in the same way. Mr. Ridgeway asked me to do this. My recollection is that we asked Derenburg to do the German side because he was recognized as the Kaiser's spokesman in this country. He wrote an article which was unavailable for our purpose, as it turned out to be a kind of heavy German propaganda, and then we asked Mr. von Mach. Nothing came of it because, as I remember, we did not get the English side stated in a way to balance the German. It was intended to be an entirely neutral performance. I do not know what Mr. Ridgeway's personal feelings were toward either England or Germany. My recollection is that Everybody's Magazine at that time had no policy. My own feelings, if this is of interest, were then and are now ardently friendly to Great Britain.

(Signed) GARRET GARRETT

Senator OVERMAN. Call your next witness.

Maj. HUMES. Mr. Arnold.

Mr. JOSEPH W. BAILEY. If the committee please, I have been requested by those interested in the agricultural organizations of Texas whose activity, as I understand, is to be investigated, to represent them here.

I am not quite able to see how they may need my service, but in order that I may serve them, if service becomes necessary, I am going to ask, Mr. Chairman, if you will be good enough to give me the resolution under which the committee is proceeding.

Senator OVERMAN. It is right there before you, on the table.

(The resolution was handed to Mr. Bailey.)

Mr. BAILEY. Mr. Chairman, is this the resolution that was adopted by Senate resolution No. 307, the only one under which the committee is acting?

Senator OVERMAN. Yes.

Mr. BAILEY. I will state very frankly to the committee that this investigation seems to have developed into an investigation of German propaganda; and I want it to appear distinctly that Mr. Arnold and Mrs. Darden—who are probably the only witnesses to be examined—who are connected with those agricultural organizations in Texas—are not summoned here because of any suspicion of any connection with German propaganda, and, if it is permissible, I want to know whoever is in charge of the investigation whether or not that is true.

Senator OVERMAN. Maj. Humes, you have examined into the matter, and I will ask you to make the statement.

Maj. HUMES. The primary purpose of this particular inquiry did not have to do with German propaganda, but I am not so sure there may not be some developments along that line in rather a small way. I am not entirely sure as to just what that connection is. I do not want to say that no connection will be developed, because I am not entirely familiar with all the ramifications of the plans and activities that I have hoped we might develop from these witnesses. I am, therefore, not in a position to state definitely whether or not any German propaganda will develop in the matter under inquiry.

Senator KING. What is the particular purpose with reference to this witness? There is one other aspect of the information.

Maj. HUMES. In connection with the brewery matters.

Senator KING. Senator Bailey, the resolution relates to breweries.

Mr. BAILEY. Yes; we are perfectly willing to meet that. Of course, Mr. Chairman, I supposed that was what would be said, and I want to record my protest here now, not only as representing these gentlemen but as an American citizen, against summoning people of impeccable character and integrity here and arranging them practically before this committee with a suggestion that it may develop that they have been concerned in some German propaganda. A man's character is worth very much, and a woman's character worth more than can be said, and they ought not to be tainted with this indiscriminate, indefinite suggestion that it is possible that the evidence may develop some slight connection with German propaganda. That is not the way American citizens should be treated by the American Senate, and I think I know this committee well enough to know that no member of it is willing to put an ineffaceable stain on a well-behaved American citizen, and it is an ineffaceable one to suggest here, or elsewhere, that they were concerned in German propaganda.

Of course, I know this committee has no power—and I do not know any better than the committee does—to pursue this inquiry in this way. The Senate of the United States does not possess unlimited inquisitorial power; it has no power to summon people here from every quarter of this country and put them on the witness stand and see if it is possible that there may be offered testimony here which will develop some connection with this and that, and even the subject matter is not one over which an inquisitorial inquiry extends. But we have no objection to come and give you all the information you want. But I would like for this committee, if the Government—I suppose that is the Government represented over there [indicating Maj. Humes and Capt. Lester]—

Senator OVERMAN. Yes.

Mr. BAILEY. It is a little odd to me to appear before you gentlemen and find gentlemen in military array—

Senator OVERMAN. I expected the Senator would make that objection before we went very far, as to how he feels about it, but I want, in justice to Maj. Humes, to say that he was a United States district attorney in Pennsylvania—

Mr. BAILEY. Yes; that is all right.

Senator OVERMAN. And was familiar with these facts, and, in order to help this committee, we requested that he be sent here.

Mr. BAILEY. If I were on the committee I would ask every soldier to take off his uniform when he comes in here to execute a civilian

function, but I will not raise any objection of that kind. If the inquiry does not exonerate these people from participation in German propaganda I am going to ask the committee to do so, and with that statement we are perfectly ready to go on.

Maj. HUMES. Mr. Chairman, it was not my purpose to make any statement—and voluntarily I made no statement—even insinuating the possibility of the injection of any propaganda into this matter. Counsel asked me a direct question, that I had to answer either truthfully or falsely, and I answered it to the best of my ability. If my answer did not please the gentleman it is not my fault. I cannot revamp the authoritative information that I have, to suit the notion of counsel, who possibly knows more about the real facts of the matter, having conferred with these witnesses, than I do. And I think it is very unfair for counsel to say that I injected into this record an insinuation as to what might develop in this particular line of examination, because I made no such statement, and had no purpose of intimating that there was any purpose of injecting German propaganda or anything else into the record.

Mr. BAILEY. Mr. Chairman, in answer to that, I simply beg to say that it would be impossible for Col. Humes, or anybody else, to develop, as he said, "some slight connection" without asking questions that would leave their implication. Now, I had hoped that Col. Humes would very frankly say that it was only the question of the brewing inquiry, because I know these people, and I want to say to Col. Humes that I am not here as their counsel in the ordinary sense; I accept no compensation for coming here. I am here because I know these people, and I know the people with whom they are associated, and I would stake my life that neither Mr. Arnold nor Mrs. Davis are concerned in any German propaganda, and I asked the question because I hoped it would be stated there was no evidence or suggestion of that kind against them. And then I wanted to develop it in the beginning, if there was, because it would be impossible to ask the questions designed to develop this slight connection, without leaving a trace in the record.

Now, we are ready to proceed.

Senator VERMAN. Mr. Bailey, you may sit down right there if you want to.

Mr. BAILEY. All right, sir.

STATEMENT OF MR. J. A. ARNOLD.

Maj. HUMES. Mr. Arnold, where do you reside?

Mr. ARNOLD. Fort Worth, Tex.

Maj. HUMES. How long have you resided there?

Mr. ARNOLD. About 12 years, I should say—12 or 13 years.

Maj. HUMES. In what business are you engaged?

Mr. ARNOLD. I am engaged in publicity, have been.

Maj. HUMES. Have you been conducting your business in your own name or under some trade name?

Mr. ARNOLD. We began the organization work by the Texas Business Men's Association. I was manager of that organization.

Maj. HUMES. The Texas Business Men's Association?

Mr. ARNOLD. Yes, sir.

Maj. HUMES. During what period of time were you connected with that organization?

Mr. ARNOLD. I think it was 1908 to 1914; I should say about that time.

Maj. HUMES. During that period of time were you connected with any other organization, or were all of your efforts confined to that association?

Mr. ARNOLD. No; we who were connected with the Texas Business Men's Association, on October 6, 1912, organized what they term the Farm Life Commission. Its purposes were intelligent and diversified production, successful marketing. I will file the report here. It had to do with association with organized farmers largely. The Farm Life Commission asked the Texas Farmers' Union to furnish a man as manager of that commission. They named Peter Radford, who was at that time president of the Texas Farmers' Union. He served in that capacity at a salary of \$125 a month, which he turned into the treasury of the Texas Farmers' Union. I have a report here of the farmers' union, showing that that was done.

Maj. HUMES. Is that commission still in existence?

Mr. ARNOLD. No. That ran along until August 5, 1913. Mr. Radford at that time retired as president of the Texas Farmers' Union by constitutional limitation.

Senator OVERMAN. Who is this?

Mr. ARNOLD. President Radford—he retired by constitutional limitation. He was then appointed national organizer, national lecturer, I believe it was, of the National Farmers' Union, and carried on his organization work in that capacity. I do not know what his salary was there. We continued to pay him \$125 a month. I do not know whether he turned it in there or not.

Maj. HUMES. Now, you say, "We continued to pay him." You mean this farmers' commission?

Mr. ARNOLD. The Texas Business Men's Association. That was in 1914. The Texas Business Men's Association was discontinued—

Maj. HUMES. When?

Mr. ARNOLD. Some time in 1914. I do not recall the exact date.

Maj. HUMES. Did it have some other organization as a successor?

Mr. ARNOLD. I am just getting to that. In the early part of 1914, when Mr. Radford was appointed national lecturer, the work began to expand in a national way, both in publicity and in organization, and was carried on largely in that way. We sent out publicity and we did organization work in the National Farmers' Union. I have a prospectus here issued by the Farmers' Educational and Cooperative Union of America, covering the matters I am discussing, and, I think, answering your question. It is signed by Peter Radford, national lecturer; approved by C. S. Barret, president, and by A. C. Davis, secretary, and I believe was passed upon by the executive committee. I shall read what they say, if you desire to hear it.

Maj. HUMES. Proceed.

Mr. ARNOLD (reading):

The Farmers' Educational and Cooperative Union of America invites your cooperation in advancing the interests of agriculture throughout the nation. The Union is organized in 27 States and has a membership of approximately six million plowmen. Its slogan is education and cooperation. We solicit financial contributions from those interested in the betterment of agriculture,

to be used in supplementing the educational and organization work of the Union under the direction of the Publicity Department of the Farmers' Educational and Cooperative Union of America.

The educational work contemplates, to the extent of our financial ability, a free weekly news service, a monthly plate service, a weekly feature service in the national press, and the dissemination of information through pamphlets and by lecturers. In addition to the officers of the Farmers' Union, we have on our staff some of the most distinguished writers of the nation who are contributing their talent through our service to the cause of agriculture, free of charge.

The discussions will deal with the problems of agriculture and related industries from the scientific, economic and business standpoint, and will encourage cooperation between all classes of people and all lines of industry. We will especially deal with the problems of production, marketing, rural transportation and kindred subjects and we will squarely face every economic issue that bears directly or indirectly upon the business of agriculture and rural life, and we shall in every instance promote and protect the interests of the men who feed and clothe the world.

The organization work comprehends the organization of farms into local units in unorganized sections for the purpose of educating the members in scientific agriculture, cooperative methods in marketing and to make the business of farming more remunerative and farm life more attractive. A staff of able specialists, right from the plow handles, who know agriculture as only the men who plow know it, will do the organization work.

The farmers of the South have suffered a loss of \$400,000,000 on the present cotton crop, which could have been avoided with proper organization and cooperation with the banking and business interests. Money lent on agriculture pays a rate of interest greatly in excess of that of other industries. Organization and a system of rural credits will give the farmer money. The farmer can neither help himself nor be helped by others who do not organize.

The contributing editors referred to are; Thomas N. Carver, professor of economics of Harvard University for the past 15 years; H. S. A. Lindsey, one of the best-known writers in the country on rural credits and cheap money. He was a member of the American Agricultural Commission which visited Europe in 1913 to study agricultural methods; Logan Waller Page, Director of the Good Roads Bureau of the United States Department of Agriculture, an eminent authority on highway construction and maintenance; Homer D. Wade, chairman of the good roads committee of the National Farmers' Union, one of the best-known good-roads experts in the United States; Dr. M. A. Carrick, on sanitation, who had charge of that work in Texas; H. S. W. English, State fire marshal of Texas, and one of the best authorities in the country on fire prevention; P. P. Claxton, United States Commissioner of Education, one of the foremost educators in America.

I may say that 20,000 of these pamphlets were issued; they were sent to every newspaper in the United States that receive the service so that they would understand where the service came from, how it was to be increased, and what they proposed to do.

Maj. HUMES. When was that issued?

Mr. ARNOLD. January 15, 1915.

The arrangement, however, which it proposes here, had probably been going on for probably six months and perhaps a year before this.

Maj. HUMES. Whom was that printed by, the Farmers' Union itself?

Mr. ARNOLD. By the publicity bureau of the Farmers' Union. That is what this established.

Maj. HUMES. Then, do I understand that one of your activities has been the management and conduct of the publicity bureau of the Farmers' Union?

Mr. ARNOLD. That is one of the activities. Mr. Radford appointed me to take charge of the publicity matters.

Maj. HUMES. He appointed you in charge of the publicity matters during the time that he was president?

Mr. ARNOLD. No; while he was national lecturer of the Farmers' Union. This is national work and not State work.

Maj. HUMES. Do I understand that the lecturer of the Farmers' Union was the executive officer?

Mr. ARNOLD. This is approved by the president and the secretary. This is his signature, with their approval.

Maj. HUMES. It was one of the activities that properly belonged to the lecturer of that organization?

Mr. ARNOLD. That is where they placed it; yes.

Maj. HUMES. Is this publicity bureau still in existence?

Mr. ARNOLD. The authority for it has never been canceled. It ran along for a while until it was found that in both organization and publicity the service was a little cramped, inasmuch as not all the farmers belonged to the union, nor, as indicated here, probably half of the States, and many of those States only partially organized, and it was desired to reach all sections and all classes, and there was some prejudice among the farmers' organization, of course, and it was then broadened into an agricultural and commercial service, which eliminated those objections, and this announcement is made by the agricultural and commercial service. [Reading:]

The service is open to a dispassionate discussion of both sides of important economic questions confronting the farmers of this Nation for solution from the standpoint of the welfare of the country. The publisher is at liberty to use all or any part of it, or if it is desired to confine the discussion of any subject to one phase—to the affirmative, the negative, or the middle course—we shall be glad to send only the phases preferred, upon request of the publisher to do so. This service will be furnished regularly to such publishers as will use it. Financial support for the work is solicited from every citizen who believes that the rural press is the proper forum for the discussion and settlement of public issues; who is willing to aid in the creation and expression of an enlightened public opinion on the important economic and social issues of the day; who is broad enough to join in a fair and impartial presentation of all sides of the subject under consideration; and who is willing to trust to the intelligence of the masses for a capable solution.

Maj. HUMES. What is the date of that?

Mr. ARNOLD. That pamphlet is not dated. It was probably about a year later, I should say, that that was gotten out. That was a page of plate sent out to the press, which moved from one State to the other. The dates do not seem to be given.

Maj. HUMES. That is, that this particular service was organized about a year after you had organized the publicity bureau of the Farmers' Union?

Mr. ARNOLD. They broadened out into that. It might have been six months or a year.

Maj. HUMES. Then that was not the publicity of the Bureau of Farmers' Union that you just a moment ago outlines?

Mr. ARNOLD. Well, it was incorporated, I should take it, in this general work.

Maj. HUMES. It was absorbed by this larger program?

Mr. ARNOLD. You might say so, yes; and Mr. Radford was also put in as warehouse commissioner of Texas. He confined his activities largely to the office at that time, and he did not do so much national work after he was put in there.

Maj. HUMES. I believe you stated, and I am not sure that I understood you, that you had been designated as in charge of this publicity work in your State. Was that correct, or had you charge of the publicity work of the national organization?

Mr. ARNOLD. Nationally, yes; I should say.

Maj. HUMES. You had charge of the national publicity work?

Mr. ARNOLD. Yes, sir.

Maj. HUMES. Now, did Mr. Radford continue his connection with these organizations after he became warehouse commissioner?

Mr. ARNOLD. Well, to a certain extent. He did not leave the State, however, not nearly as much as he did before, but still kept up his connection, especially in cotton. The farmers' union was largely a cotton States organization, and the Texas warehouse commissioner had to deal largely with the marketing of cotton. We raise a third of the cotton, and to market it, it takes that in. It naturally kept him in the South in his activities.

Maj. HUMES. What are the duties of the warehouse commissioner? I do not understand. That is a public office down in Texas?

Mr. ARNOLD. Yes. He is appointed largely by the governor.

Maj. HUMES. What are the duties of that office?

Mr. ARNOLD. It was marketing—warehousing and marketing—cotton largely.

Maj. HUMES. It had to do with the marketing of the cotton crop?

Mr. ARNOLD. Largely the cotton crop; yes.

Maj. HUMES. You say that when you then became connected with this organization, or with the business men's association, that Mr. Radford was on the pay roll at \$125 a month. Is that correct?

Mr. ARNOLD. Yes; he was on the pay roll of the Texas Business Men's Association at \$125 a month.

Maj. HUMES. Now, when the Texas Business Men's Association went out of business, he continued to draw \$125 a month, did he?

Mr. ARNOLD. No; I think he went into the warehouse commission soon after that. If not, however, he did continue to draw that salary until such time as he went on the commission. I can not give the dates.

Maj. HUMES. He drew the salary until he became warehouse commissioner?

Mr. ARNOLD. Yes; from the publicity bureau.

Maj. HUMES. From the publicity bureau?

Mr. ARNOLD. Yes.

Maj. HUMES. First it was from the publicity bureau, or from the business men's association, and then from the publicity bureau of the farmers' union?

Mr. ARNOLD. Well, first from the Texas Business Men's Association, then as a national lecturer of the farmers' union.

Maj. HUMES. Well, now, his compensation as national lecturer, was that paid by this publicity bureau?

Mr. ARNOLD. We paid him no salary as national lecturer. His organization may have paid him. I am not sure about that. We paid it as long as the Texas Business Men's Association was in existence.

nce. He was then national lecturer, and whether he got a salary here I could not say.

Senator OVERMAN. What association was it under which he was a lecturer?

Mr. ARNOLD. It was the National Farmers' Union, a national organization. He became the national lecturer.

Senator OVERMAN. Of which Mr. Barrett is president?

Mr. ARNOLD. Yes, sir.

Maj. HUMES. What I am asking is this: When the Texas Business Men's Association went out of business and you ceased to be the secretary, then that organization took charge of that publicity bureau of the Farmers' Union. Did Radford continue to draw his \$125 a month from the publicity bureau?

Mr. ARNOLD. I should say so; yes.

Maj. HUMES. Then, when the publicity bureau merged into the larger commercial organization—commercial publicity organization—that you have referred to, he continued to draw his \$125 per month from the organization, did he not?

Mr. ARNOLD. Hardly. I think on January 1, 1915, or at least early in 1915, he was appointed warehouse commissioner. That paid him \$300 a month, I believe, and we paid him no money after that in salary. That would probably be—the way you outlined would probably be the procedure, if the dates are not mixed.

Maj. HUMES. You were subpoenaed to bring your books showing receipts and expenditures, all your activities, your publicity activities, with these several organizations. Have you those records?

Mr. ARNOLD. No; we have not. We did not keep a record of those, did not keep any definite record of those things—the money feature of them, at least. The money was solicited for publicity purposes, some of it from corporations which paid direct to the plate house. I should say that the publicity consisted of plates. This is a page of plates [indicating].

Senator OVERMAN. Metal plates?

Mr. ARNOLD. The article photographed into the metal.

Maj. HUMES. Did you send out any publicity except in the form of plates?

Mr. ARNOLD. We issued pamphlets.

Senator OVERMAN. Will you please let me see one of those plates? (A paper was handed to Senator Overman by the witness.)

Mr. ARNOLD. We had a news service. We have the items here covering one year, I think, which will give you a general idea about that. We had a news industrial service, an illustrated plate service, an illustrated news service, a plate service, and special articles to the papers from the writers that I have mentioned.

Senator OVERMAN. Mr. Arnold, I notice that you have here a Virginia page. Did you have a North Carolina page, a South Carolina page, and so on?

Mr. ARNOLD. It went to every State and would have the name of each State.

Maj. HUMES. With the same matter to all States?

Mr. ARNOLD. Yes.

Senator OVERMAN. How did it get to the papers—sell it to them?

Mr. ARNOLD. We gave it to them.

Senator OVERMAN. And a weekly paper would use it, for instance, if they chose, in connection with their paper?

Mr. ARNOLD. That page would cost about \$2 a page to the paper.

Senator OVERMAN. So that by giving this to them, the weekly paper would have it already set up in this form here, and this page was left blank for the local news?

Mr. ARNOLD. Yes.

Maj. HUMES. You did not send this as a patent inside where the plate matter, if used, is put into the form of the newspaper and printed?

Mr. ARNOLD. No.

Maj. HUMES. The Senator misunderstood you. He was confusing it with the practice of sending out patent insides.

Mr. ARNOLD. No; we did not do that.

Maj. HUMES. You sent the so-called boiler plate out to the newspapers for publication?

Mr. ARNOLD. Yes; they could publish or not, as they liked.

Senator OVERMAN. The newspaper gets this blank page?

Mr. ARNOLD. No; the metal is shipped to them, and they take that metal and set up the form.

Maj. HUMES. That is a print that was printed from the plate matter.

When did you commence sending out this plate matter to newspapers?

Mr. ARNOLD. I expect it was about in 1914, probably about the middle of the year—somewhere along there.

Maj. HUMES. Well, did you commence that on behalf of the Texas Business Men's Association or not, until the publicity bureau was organized?

Mr. ARNOLD. It was sent out as the page insert of the National Farmers' Union.

Maj. HUMES. It was sent out in the name of the National Farmers' Union?

Mr. ARNOLD. Yes; the publicity of the National Farmers' Union as authorized, as I have read into the record.

Maj. HUMES. For a period of time that was conducted by what you have described as the publicity bureau of the National Farmers' Union?

Mr. ARNOLD. That is right.

Maj. HUMES. And later by this—

Mr. ARNOLD (interposing). Agricultural and Commercial Press Service.

Maj. HUMES. The Agricultural and Commercial Press Association which had absorbed the publicity bureau of the National Farmers' Union. Is that correct?

Mr. ARNOLD. That is right.

Maj. HUMES. Well, did you not fix about January 1, 1915, as the time of the organization of this publicity bureau of the National Farmers' Union?

Mr. ARNOLD. How was that?

Maj. HUMES. Did you not fix January 1, 1915, as the time of the organization of the publicity bureau of the National Farmers' Union?

Mr. ARNOLD. Well, no; that bureau had been going on, and those plates had been going out, at least I should say, four or five months.

Maj. HUMES. In anticipation of the organization of that bureau his work had started prior to the formal organization?

Mr. ARNOLD. Yes; before the commencement, you may say, of that.

Maj. HUMES. Now, is that work still carried on in the name of the Agricultural and Commercial Press Service?

Mr. ARNOLD. We did send out stuff until the war, and then we did not think, while the war was on, that that sort of publicity would be desirable or acceptable, and there was so much war news, and we did not think the public would be interested in those matters.

Maj. HUMES. Then you discontinued this service after this country became engaged in the war?

Mr. ARNOLD. It was practically suspended soon after.

Maj. HUMES. Can you fix an approximate time?

Mr. ARNOLD. No; I do not know that I could, offhand. I do not know. I know that I have sent no plates out. There might have been some articles sent out, but no plates since the war was declared. I am certain that I can say that.

Maj. HUMES. Have the activities been resumed yet?

Mr. ARNOLD. No; they have not.

Maj. HUMES. Now, Mr. Arnold, this bureau to which you refer was part of and financed by the National Farmers' Union?

Mr. ARNOLD. Well, I should say it was a part of the farmers' union, but it financed itself independently.

Maj. HUMES. Financed itself independently of the farmers' union?

Mr. ARNOLD. I should say so; yes.

Maj. HUMES. Did the National Farmers' Union or the Texas State Farmers' Union pay in regular assessments or contributions, or make any regular appropriations to this publicity bureau?

Mr. ARNOLD. No; I should say not.

Maj. HUMES. Then all of the money that was used in carrying on this work was raised from independent subscriptions, and from the activities of the bureau itself in raising funds?

Mr. ARNOLD. Yes; I think that would be a complete answer to that.

Maj. HUMES. Who was associated with you in this official capacity as an official representative of the farmers' union in this work? Was there a committee?

Mr. ARNOLD. Well, Mr. Radford. Of course the work was turned over to Mr. Radford by the officials of the national organization. I worked for him.

Maj. HUMES. You worked for him?

Mr. ARNOLD. Yes; I worked for him—was really an employee of Mr. Radford's.

Maj. HUMES. Just an employee of Mr. Radford's?

Mr. ARNOLD. That is right.

Maj. HUMES. Was Mr. Radford one of the committee that had charge of this work—did he have autocratic power under the by-laws and constitution or the action of the farmers' union to control these matters?

Mr. ARNOLD. Well, I read the authority there on which he acted and as far as I was concerned at all, Mr. Radford was the man that I went to, he was fully in control of it.

Maj. HUMES. Did you ever know of any formal action being taken by any official body of the farmers' union authorizing and creating this publicity bureau?

Mr. ARNOLD. No; I could not say.

Maj. HUMES. Well, as a matter of fact, there was never any formal action taken by the organization as an organization, was there?

Mr. ARNOLD. I do not know any more about it than what is there. What the officials did I do not know.

Maj. HUMES. You kept in touch with these meetings of the farmers' union? That was part of your work?

Mr. ARNOLD. I never attended a meeting, was never there, was not a member.

Maj. HUMES. If there had been any formal action authorizing you to take up and carry on this work, you would have known of that action?

Mr. ARNOLD. I understood that I had no authority to do anything, except Mr. Radford appointed me in his work. He ran the institution something like he would run a farm, every one was hired and was trying to help out.

Maj. HUMES. Were you not conducting this in a scientific manner? That was the purpose, to make agriculture scientific, to adopt economic practices?

Mr. ARNOLD. Perhaps so. I hope so.

Maj. HUMES. You were not practicing what you were preaching, then?

Mr. ARNOLD. I hope we were economical and efficient.

Maj. HUMES. Now, was the National Farmers' Union a secret organization?

Mr. ARNOLD. I understood it to be.

Maj. HUMES. You are not a member of it?

Mr. ARNOLD. Oh, no.

Maj. HUMES. But you understand it to be a secret organization?

Mr. ARNOLD. That is my understanding.

Maj. HUMES. It is a secret organization in what sense?

Mr. ARNOLD. Well, you have to have the password to get into the unions. I am sure you do.

Maj. HUMES. It is secret in the same sense that a fraternal organization is a secret organization, I suppose?

Mr. ARNOLD. I should say so.

Maj. HUMES. Have you a copy of the constitution and by-laws or laws whatever they may be denominated, of this organization?

Mr. ARNOLD. No; I was not concerned in that. I may have had one, but it did not occur to me to bring it if I did.

Maj. HUMES. Now, during this period that you have covered, were you official acting in any way with any other organization, or did you conduct your business under any other trade name?

Mr. ARNOLD. Well, we had for a while what we called the Texas Economic League. It ran about six months. Mr. J. S. Cullinane of Houston, Tex., was the president of it. Its constitution and by-laws are here. He was not able to finance it properly, and I think it was abandoned in a little while.

Here are the constitution and by-laws, and also some plate matter that was gotten out by it. I was not on its pay roll, but I was secretary of it, however.

Maj. HUMES. For how long a period of time did it exist, Mr. Arnold?

Mr. ARNOLD. I should say about six months.

Maj. HUMES. During what period of time?

Mr. ARNOLD. Maybe I have it right here—January 1, 1916; it probably ran six months, I should say.

Mr. Cullinan was later associated with the Food Administration and in getting them to have a statute for this sort of thing. The publicity gotten out by that association is here. It was to be a publicity organization. It did nothing else. All the money went into plates. I have copies of the plates gotten out by these people.

Maj. HUMES. Purely for publicity? It was not a secret organization in any sense?

Mr. ARNOLD. No.

Maj. HUMES. Have you any knowledge of the amount of money used for publicity by that organization?

Mr. ARNOLD. Why, I should say they spent a couple of thousand dollars a month.

Maj. HUMES. You were the secretary of that organization?

Mr. ARNOLD. Yes.

Maj. HUMES. How did it go out of existence? Was it dissolved or just permitted to lapse?

Mr. ARNOLD. They rather permitted it to lapse. Mr. Cullinan did not get the financial support he wanted. He had to bear most of the burden himself, and he stopped the work.

Maj. HUMES. You have the plate matter of that organization?

Mr. ARNOLD. I think it is here.

Maj. HUMES. Where was this plate matter made—this boiler plate—for the Texas Economic League?

Mr. ARNOLD. That was strictly a Texas organization, and no publicity went out of Texas. It was made at Dallas, I think.

Maj. HUMES. By what organization; do you remember?

Mr. ARNOLD. The Western Newspaper Union, I think. I think they sent most of that out. Of that I will not be certain.

Maj. HUMES. Its activities were confined solely to Texas?

Mr. ARNOLD. The activity of the Texas Economic League were confined to Texas.

Maj. HUMES. During this period of time what other organizations were you connected with?

Mr. ARNOLD. I do not recall any others, except what I might have had indirectly through Mr. Radford. He was undertaking to connect up with as many farmers' organizations as he could. I think that is the only organization, I should say, of any note that did any work.

Maj. HUMES. The plate matter of the agricultural publicity organization that you have described, where was that prepared?

Mr. ARNOLD. Where was it prepared?

Maj. HUMES. Yes; I mean where were the plates made?

Mr. ARNOLD. They were made, I think, by the Western Newspaper Union. They made the plates. It has offices all over the Nation for

the purpose of national publicity. I think it made most of plates, probably not all of them.

Maj. HUMES. Well, with what officers of the Western Newspaper Union did you transact your business?

Mr. ARNOLD. With the managers.

Maj. HUMES. At what branch office? They have offices all over the country.

Mr. ARNOLD. I dealt with the manager of it, whose headquarters are at Omaha, Nebr. I think that is the general headquarters although I met him in St. Louis, and he would come to Texas. I also met him at Chicago, wherever I happened to see him.

Maj. HUMES. This plate matter was sent out from the branch office of the Western Newspaper Union to the newspapers who were the subscribers for it?

Mr. ARNOLD. Yes, sir; it was sent out to the newspapers by the branch offices of the Western Newspaper Union.

Maj. HUMES. Who prepared the material that went into this plate matter?

Mr. ARNOLD. Well, we have indicated that special writers prepared some of it. We prepared part of it, probably, in the office. Some of it was prepared by the news industrial service, by men whose names you have seen here.

Senator OVERMAN. Did this Western Newspaper Union ever do anything in that you did not authorize?

Mr. ARNOLD. No; they were just manufacturers.

Senator NELSON. Did you furnish this plate matter just to subscribers, or did you furnish it to any newspaper that would use it?

Mr. ARNOLD. We tried to furnish it, to the extent of our financial ability, to any newspaper that would use it.

Senator NELSON. You made no charges to the newspapers?

Mr. ARNOLD. None whatever.

Senator WOLCOTT. How did you determine what newspapers to have it sent to?

Mr. ARNOLD. We would ask them if they wanted it, and usually we would get enough replies to take care of all our plates. In some instances, if we had the money, we would send it out to papers that did not ask for it, and they generally used it.

Senator WOLCOTT. Did you make up a list of the papers to which the plates were to be shipped?

Mr. ARNOLD. Yes.

Senator WOLCOTT. And you sent that list to the Western—

Mr. ARNOLD. The Western Newspaper Union; yes, sir.

Senator WOLCOTT. And they shipped the stuff direct from there to the people designated on your list?

Mr. ARNOLD. That is right.

Senator WOLCOTT. Then the Newspaper Union had nothing to do with selecting the papers to which plates went?

Mr. ARNOLD. No, sir.

Senator WOLCOTT. They were simply manufacturers, and nothing else?

Mr. ARNOLD. Yes.

Maj. HUMES. Have you a record of the newspapers to which you furnished this material?

Mr. ARNOLD. No; I probably have not. We would send it to any newspaper that would take it, if we could get the money. There was no discrimination and no classification.

Maj. HUMES. If there was discrimination, it was against the acceptance rather than the delivering of the plate matter?

Mr. ARNOLD. Of course, if we sent them plates and they did not use them, we would find it out, because we would have them send us copies of the newspaper, and if it was not using the plates we would probably send it to papers that would use it.

Maj. HUMES. Did you have any contract with the Western Newspaper Union for the preparation of this plate matter?

Mr. ARNOLD. They have a regular rate for the manufacturing of plates, which we paid them for it.

Maj. HUMES. But the contract price depends upon the number of plates that are sent out, does it not?

Mr. ARNOLD. No; it is just like freight rates. They have a regular schedule there, and the rates are regulated, like them, by the Federal Government in some way. At least, they told me that, and I never could get any reduction in rates.

Senator OVERMAN. Might it not happen that they could get their paper cheaper? For instance, I might put plate matter in and sell to this paper cheaper than they could get it themselves.

Mr. ARNOLD. Yes.

Senator OVERMAN. And by that means certain organizations in this country are getting their material printed in the papers all over the country. Is not that so? For example, if I wanted an article on this plate matter, they would put it in there and send it to these papers all over this country?

Mr. ARNOLD. Yes; they would if you paid for it.

Senator OVERMAN. That is the way they get their pay, from men who put the article in?

Mr. ARNOLD. Yes.

Senator OVERMAN. Because the newspaper does not pay anything. They put it in and he gets that part of the page that he can use to print on?

Mr. ARNOLD. Yes.

Senator OVERMAN. What he does is to put in his paper the material sent to this association?

Mr. ARNOLD. Yes.

Senator OVERMAN. And they have a blank page, thus giving them a paper which they can use?

Mr. ARNOLD. Yes.

Senator OVERMAN. That is the advantage to the newspaper that they get this paper for nothing?

Mr. ARNOLD. Yes; and then they are glad to get the plates for nothing.

Maj. HUMES. Do I understand that the rates of the Western Newspaper Union are, for instance, just the same whether they send out a plate to 1,200 papers or whether they send the plate out to 50 papers?

Mr. ARNOLD. Yes; 50 is the minimum. You can send as many more as you want to, but there is no reduction in the rate.

Maj. HUMES. But is there an increase in the rate when you increase the number of plates?

Mr. ARNOLD. Yes.

Mr. BAILEY. They are charged by plates?

Mr. ARNOLD. Yes; I think it is \$1.50 per page per plate.

Maj. HUMES. Per plate?

Mr. ARNOLD. A dollar and a half per paper per plate.

Maj. HUMES. That is what I understood. I could not comprehend that it was the same whether you sent out 50 or 500.

Mr. ARNOLD. No; I thought you were getting at the change in rate.

Maj. HUMES. Could you state how many newspapers you sent out by plate to?

Mr. ARNOLD. No; I could not. The plate service did not run very long. We were not able to finance it. There were 12,000 plate-matter papers in the United States. I do not think that we were ever able to work up to more than half of them; probably less than that. Of course, it was our hope and ambition to supply them all, but we were not able to do so.

Maj. HUMES. But your estimate is that you probably, at various times, supplied 6,000 of them with plate matter?

Mr. ARNOLD. Perhaps so. I should make that estimate; yes.

Maj. HUMES. Do you remember what the contract price, or regular price, amounted to, per week, for this plate matter, approximately?

Mr. ARNOLD. We tried to send out a page a month. It was not a page, as many papers as you sent.

Senator WOLCOTT. If you sent to 6,000 papers that was \$9,000.

Mr. ARNOLD. \$9,000. That is the correct multiplication.

Maj. HUMES. That would be \$9,000 a month?

Mr. ARNOLD. Yes.

Senator NELSON. That is one page?

Senator WOLCOTT. One page.

Maj. HUMES. Did the Farmers' Union get out any official publication of any kind, any particular paper or organization paper?

Mr. ARNOLD. The Texas Farmers' Union or the National?

Maj. HUMES. Either one, or both?

Mr. ARNOLD. Both of them had official organs.

Maj. HUMES. What were their official organs?

Mr. ARNOLD. I think the Messenger is the Texas Farmers' Union organ. I have no relations with it; no connection with it. I think it is called the Messenger.

The National Farmers' Union did have a paper for a little while but it went down and was sold, or something. I do not know what became of it.

Maj. HUMES. What was the name of that?

Mr. ARNOLD. It was the National Field.

Maj. HUMES. My attention has been called to a paper called Fireside Bulletin. Did that have any connection with the farmers' union? [Showing witness paper.]

Mr. ARNOLD. It did have some connection with the Farmers' Union but it was later canceled on account of its position on the minimum.

Maj. HUMES. Can you tell us the period during which this paper was an official paper, recognized by the Farmers' Union?

Mr. ARNOLD. No; I could not. I would not be sufficiently familiar with that to tell you about it.

Maj. HUMES. For how long a period of time was it an official organ?

Mr. ARNOLD. I could not say. I do not know.

Senator OVERMAN. A member of this committee has suffered the misfortune of a death in his family, and this committee will adjourn now until to-morrow morning.

(At 1.10 o'clock p. m. the subcommittee adjourned until to-morrow Thursday, January 16, 1919, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

THURSDAY, JANUARY 16, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.45 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Nelson, and Wolcott.

Senator OVERMAN. The committee will come to order. While we have not a quorum, we will proceed with Mr. Arnold's testimony.

Maj. HUMES. The reporter calls my attention to the fact that the record does not show that Mr. Arnold was sworn as a witness.

Senator OVERMAN. He was sworn.

Maj. HUMES. Was he sworn?

Senator OVERMAN. I think so. Were you not, Mr. Arnold?

Mr. ARNOLD. I think so.

Maj. HUMES. I suppose he was, but the record did not show it, and the reporter called it to my attention.

Mr. BAILEY. Let the record show that he was sworn.

Senator OVERMAN. If you have any doubt about it we will swear him again.

Mr. BAILEY. Swear him, then, and let the record show he was sworn.

(The witness was sworn by Senator Overman.)

TESTIMONY OF MR. J. A. ARNOLD—Resumed.

Maj. HUMES. You yesterday mentioned several organizations that you were secretary of or represented in some capacity. Are there any other organizations of which you were secretary, or with which you were connected?

Mr. ARNOLD. None.

Maj. HUMES. And in whose name or on whose behalf you transacted any business of any kind?

Mr. ARNOLD. Those were the only two that any business was transacted for.

Maj. HUMES. What did your office in Fort Worth consist of? What employees did you have, and how large an enterprise did you have there?

Mr. ARNOLD. At times that varied. We might be sending out a large amount of printed matter and checking the papers to see that it

was in there, and it would take four or five clerks. If less went on then the clerks would come off. But the regular force would be myself and Mrs. Darden, who is here, who had charge of the office, and we kept one or two others there pretty regularly.

Maj. HUMES. Was there a man by the name of Muse?

Mr. ARNOLD. Yes.

Maj. HUMES. In what capacity was he employed?

Mr. ARNOLD. He was the statistician; we looked to him to get the figures and information brought out.

Maj. HUMES. He was known as the statistician?

Mr. ARNOLD. That was the work in which we used him; yes. In all the pamphlets and things of that sort the tables were his.

Maj. HUMES. In conducting this press work for the farmers' union, did the farmers' union, by appropriation or otherwise, contribute to the support of the enterprise?

Mr. ARNOLD. No.

Maj. HUMES. They never contributed?

Mr. ARNOLD. They never contributed any money.

Maj. HUMES. Any money?

Mr. ARNOLD. No.

Maj. HUMES. The only thing that they or anyone connected with them contributed was services and assistance and cooperation?

Mr. ARNOLD. That, I guess, is correct.

Maj. HUMES. Now, Mr. Arnold, have you any books showing the receipts and expenditures of your activities in behalf of this publicity work?

Mr. ARNOLD. Mrs. Darden would be the one to answer that question better than I can. We kept very little—there was very little occasion to keep any record. Mr. Radford handled that, as he did not care to have any extensive record kept on that.

Maj. HUMES. You were subpoenaed by the committee to produce all books of account that you might have; and in the papers that you have already produced I have not noticed any books of account. Have you any such books of account?

Mr. ARNOLD. I am saying that the lady has that, and she has something to say along that line, I think, herself.

Maj. HUMES. Can you not produce them?

Mr. ARNOLD. I have not got them.

Maj. HUMES. We can interrogate her about them, but has she got them with her?

Mr. ARNOLD. She will be able to account for them, I think.

Maj. HUMES. But you were subpoenaed to produce them, and these are your records.

Mr. ARNOLD. I have not anything more than has been turned over to you or to the State officials who asked for those things. I do not get them twice.

Maj. HUMES. Has Mrs. Darden those books of account with her ready for production to this committee?

Mr. ARNOLD. She has not.

Maj. HUMES. Where are they?

Mr. ARNOLD. The books were turned over to the Attorney General up to a certain time.

Maj. HUMES. Up to what time?

Mr. ARNOLD. Probably in the middle of 1914.

Maj. HUMES. The Attorney General of the United States or the attorney general of Texas?

Mr. ARNOLD. The attorney general of Texas.

Maj. HUMES. Up to 1914 they were turned over to the attorney general of Texas. Where are the books of account and the records subsequent to 1914?

Mr. ARNOLD. They were turned over to the grand jury.

Maj. HUMES. When and where?

Mr. ARNOLD. Dallas; about a year ago.

Maj. HUMES. What did those books consist of?

Mr. ARNOLD. Why, I do not recall them now.

Senator OVERMAN. Were they delivered back to you after the grand jury got through with them?

Mr. ARNOLD. No; I understand they were sent here.

Maj. HUMES. Was there any book account produced at that time except this check book or voucher register, as it is denominated?

Mr. ARNOLD. I could not say. Radford was handling that. I presume this is the book we kept. They, however, were the books of Mr. Muse, who was the accountant, and do not represent either the receipts—would not represent the total receipts or disbursements.

Maj. HUMES. You do not turn over to the grand jury, then, any books that represented the receipts and disbursements of these organizations or of your activities, did you?

Mr. ARNOLD. Not a complete—that could not be done.

Maj. HUMES. Did you turn over any book of account showing any of the transactions, except that book that I have just shown you?

Mr. ARNOLD. As far as I know, he did have the records there. I could not say.

Maj. HUMES. Do you remember any record except the one that I have just shown you, that you turned over?

Mr. ARNOLD. I do not recall any.

Maj. HUMES. Did you turn over to that grand jury all of the books of account that these associations had?

Mr. ARNOLD. Why, I think so.

Maj. HUMES. Then we are to understand, are we, that there is no book of accounts in existence showing the receipts and expenditures of these associations or of your activities?

Mr. ARNOLD. No; not that would show it fully.

Maj. HUMES. None that would show it fully?

Mr. ARNOLD. The business was not handled that way.

Maj. HUMES. Now, tell us how the business was handled and how the accounts were kept.

Mr. ARNOLD. Very well. Let me, if I may digress a moment, to say what Peter Radford was trying to do and how he was trying to do it—

Maj. HUMES. I have no objection to your explanation of it, but I have asked a direct question.

Mr. BAILEY. Answer that question and then make any explanation you want to.

Maj. HUMES. Yes; and then make any explanation you want to make.

Mr. ARNOLD. The plate matter was paid for by Mr. Swenson, of New York, direct to the plate house. The money did not pass through our hands.

Senator WOLCOTT. Mr. who?

Mr. ARNOLD. Mr. E. P. Swenson, of New York. That money did not pass through our hands. It was always my plan and purpose to handle as little money as possible, and I would rather a man would pay the bills than give me the money to pay them, where he would do so, and that was the policy pursued, so far as the plates were concerned and in so far as the contributions from New York were concerned, in which he was interested.

Senator OVERMAN. The contributions in New York—what were they?

Mr. ARNOLD. I say Mr. Swenson handled such contributions as we were able to get there.

Mr. BAILEY. Mr. Chairman, I understood you wanted to inquire about some brewery contributions. Now, any information in the world these people have on the subject they are willing to give you, but, really, I hardly think this committee wants to encumber its record with the cost of plate matter; that has absolutely no relation to any possible brewery connection or any brewery contribution. Now, these organizations, so far as they were active in promoting the interests of agriculture or so far as they were active in promoting agricultural organizations, I take for granted is not a matter of concern on the part of this committee. I do not attempt to control the order of interrogation, but I do venture to say that all these matters outside of the breweries are immaterial. Now, for instance, Mr. Swenson is a man who is largely interested in the development of the State. His contributions are not denied nor concealed and nobody is ashamed of them; we are ready to tell you all about them; but they do not relate to the question of the brewery contributions or any other question that this committee is investigating.

Senator OVERMAN. Let us see how that is. He said he had certain contributions from Mr. Swenson himself, as I understood it.

Mr. BAILEY. No; Mr. Swenson paid for certain plate matter.

Senator OVERMAN. Yes; he said that, and afterwards he said he did not handle any money; that generally the money he got came from Mr. Swenson.

Mr. BAILEY. I want to put it on the record that Mr. Arnold has been on the stand during practically all of the time of the session yesterday and up to the present time, and there has not been a question asked him concerning any brewery connection or contribution, but it is all a matter really local to Texas and Texas politics.

Senator OVERMAN. I think that it is so.

Mr. BAILEY. Now, I said nothing yesterday, because I presumed Maj. Humes was laying the foundation for these questions about it, and if that is still his purpose—

Maj. HUMES. That is what I am trying to find out, how the accounts were handled, and that is the question I asked, how the accounts and financial transactions were handled, with a view of ascertaining what information and record is available, either in the possession of Mr. Arnold or elsewhere, of these financial transactions.

Mr. BAILEY. Of course, if we were in the court room we would say you had a right to interrogate him about the contributions which this committee is directed to inquire about, and then you would have a right to make him say whether he handled those contributions as he handled all others; there would be no objection to that. But I must

no objection. I just want to call the attention of the committee to what is proceeding.

Senator OVERMAN. The Senator understands about these investigations by the committee. We are not held down to the technical rules. Maj. Humes is laying the foundation to make his proof.

Mr. BAILEY. Of course we are not, and yet I want to make this observation, that in an experience covering some senatorial investigations and some in the House, I have no hesitation in declaring that the best way in the world ever devised to elicit the truth is to adhere to the rules of evidence as laid down in the law books. If that is the best way to elicit the truth, as it is done in the courtroom, it is the best way to elicit the truth every place else in this world. Still, I do not insist that you adhere to it.

Senator OVERMAN. That may be so, but still that has not been the rule.

Mr. BAILEY. I know it has not, and I make no objection.

Maj. HUMES. Mr. Arnold, you say that the bills for plate matter, from the plate houses, were taken care of by Mr. Swenson. Were they billed directly to Mr. Swenson by the plate houses or were they billed to you and by you referred to Mr. Swenson?

Mr. ARNOLD. The bills, I think, were made out to me; at least I O. K.'d them; and I do not recall just how they passed over my desk; I do not recall just how they were handled.

Maj. HUMES. You would approve them and they would go to Mr. Swenson, and Mr. Swenson paid all the bills at the plate house?

Mr. ARNOLD. That was the rule; yes. There might have been exceptions. There were exceptions to that.

Maj. HUMES. If there were exceptions to it, the rule de minimis would apply to your statement?

Mr. ARNOLD. I should think so; yes.

Maj. HUMES. There would only be small items that would be exceptions to the general practice?

Mr. ARNOLD. I think so; yes.

Maj. HUMES. You say your activities were financed by contributions. Were those contributions made directly to you?

Mr. ARNOLD. Yes.

Maj. HUMES. Some of these contributions were made directly to you?

Mr. ARNOLD. Yes.

Maj. HUMES. How did you receive contributions or financial aid from contributions that were not made directly to you? How were they handled?

Mr. ARNOLD. The railroads paid for some plate matter; their money was sent directly to the plate house through Mr. Swenson. He also had a fund there of private moneys, such as he himself contributed, which went toward defraying the expenses of the office. It was a dual account there with him, and we would draw on him whenever there was any money there. We had money in Texas that we received there—from private individuals in Texas, that helped to support it and to take care of the office end and the organization end of it.

Maj. HUMES. Then you say that the contributions from private individuals in Texas were made directly to you and that other con-

contributions were made to Mr. Swenson, and that you drew on Mr. Swenson for the funds that had been thus contributed to him?

Mr. ARNOLD. That would be the case, excepting what is paid—

Maj. HUMES. What portion of these funds that were expended by you were contributed to you directly and what portion of the funds were paid through Mr. Swenson?

Mr. ARNOLD. I do not know that I could make that division with any degree of accuracy. It was always a hard matter to get money; we were always or usually in debt, and it took most of my time trying to solicit money wherever I could, and it came irregularly and was spent irregularly, and the activities were very much disturbed by inefficiency for the lack of any regular sort of finances—for any sort of financial plan, we may say. We always were deficient in that way. Institutions supported by voluntary contributions suffer that way.

Maj. HUMES. The contributions that were made through Mr. Swenson, were those contributions solicited by Mr. Swenson, or were they solicited by you, with the direction or request that they be paid to Mr. Swenson?

Mr. ARNOLD. They were solicited by me. Ordinarily he would help do so, but I presume that I have personally solicited most of the funds, based on the authority read yesterday.

Maj. HUMES. You solicited most of the funds that were handled through Mr. Swenson and directed the contributors to make the contributions to Mr. Swenson?

Mr. ARNOLD. That, I think, is a correct statement.

Maj. HUMES. He had the custody of the funds?

Mr. ARNOLD. Yes, sir.

Maj. HUMES. Now, in communicating with—

Senator WOLCOTT. Let me interject a question here. Did you have a branch of this farmers' union in New York State?

Mr. ARNOLD. Did we have?

Senator WOLCOTT. Yes.

Mr. ARNOLD. No; Mr. Swenson was authorized to receive money for this institution, I think, by Mr. Radford. I do not want to be sure about that. I know Mr. Radford has gone to talk with him many times about it and solicited, and gave him such authority. Whether it was in writing or not I do not know. But he had authority to solicit money or had the request to do so. I guess anybody had authority, for that matter, like anybody who wanted to do that.

Senator WOLCOTT. That is all. Go ahead.

Maj. HUMES. Mr. Arnold, where is Mr. Radford?

Mr. ARNOLD. He is dead.

Maj. HUMES. Mr. Radford is dead?

Mr. ARNOLD. He died about a month ago.

Senator OVERMAN. Was he a citizen of Texas?

Mr. ARNOLD. Yes, sir.

Maj. HUMES. In your correspondence with those with whom you were affiliated and with whom you transacted business, did you have a code of any kind?

Mr. ARNOLD. Sometimes we did; sometimes we did not.

Maj. HUMES. Is that a code book that was the basis of your code? [Handing the witness a black-covered volume.]

Mr. ARNOLD. I could not tell. I suppose it is. The code books are on sale at almost every bookstore.

Maj. HUMES. That is the same code? I do not mean the same book.

Mr. ARNOLD. I could not tell you that. Suppose we concede that it is.

Maj. HUMES. Do you remember presenting to the grand jury the code that you used?

Mr. ARNOLD. I did not.

Maj. HUMES. Were you interrogated about it in any grand jury proceeding?

Mr. BAILEY. Wait a moment.

Mr. ARNOLD. I was not.

Maj. HUMES. Do you remember the fact that the code that was presented from your office had some missing pages?

Mr. BAILEY. I want to suggest that under the law of Texas Mr. Arnold has no right to disclose what transpired in the grand jury room, and I am satisfied the Major will not insist on him doing that.

Maj. HUMES. I did not catch that.

Mr. BAILEY. Under the law of Texas, a man who is summoned before a grand jury has no right to disclose anything that transpired before the grand jury or in that grand jury room.

Maj. HUMES. Is it my understanding that the gentleman contends that the statutes of Texas supersede or control the Federal grand jury proceeding?

Mr. BAILEY. You have no more authority here to conduct this kind of an inquiry than I have, and your questions would afford no protection at all. Of course, if a man is called before the grand jury of the United States, he might be interrogated about what transpired in the grand jury room of the State; and if he would say "I am under the obligation of an oath and under the penalty of the law not to disclose it," the Federal grand jury could not make him disclose it; but they would have a right to pursue their inquiry independently of that.

Senator OVERMAN. There is no question about the fact that the law of Texas does not allow a man to disclose?

Mr. BAILEY. Yes; it does not allow such.

Maj. HUMES. I might say, for the information of the committee, this was not a matter before any State grand jury. The matter under discussion was before a Federal grand jury, and in the United States court. I think Senator Bailey misunderstands the inquiry I made. I do not concede the correctness of his position, that it applies to the Federal grand jury; but it is not important, because my inquiry was one of identification of a given book, rather than to disclose anything that occurred in that grand jury.

Mr. BAILEY. Mr. Arnold has said that these books are on sale at all places, and he had no doubt that it is the one. Now, the colonel inquires if he presented that book to the grand jury. Mr. Arnold says he did not. Then the colonel inquires if he was interrogated about it. That would be a plain violation of his oath.

Senator OVERMAN. I understood Maj. Humes to ask him if they did not have some pages of another code in connection with it.

Mr. BAILEY. He had not reached that question.

Maj. HUMES. What I think I asked the witness is, as to whether or not there were not several pages missing in the code book that was produced before that grand jury.

Mr. BAILEY. Mr. Stenographer, I will ask you to turn back to the question immediately before I interposed and read it. I may be mistaken. I might have had my mind diverted for a moment, but I thought the question was whether or not he was interrogated about that.

Maj. HUMES. I think you were anticipating my next question.

Mr. BAILEY. Well, if I did, I was looking into your mind. And now, Mr. Stenographer, if I am wrong about that, I want to know it.

(The reporter read the following questions and answers:)

Maj. HUMES. Do you remember presenting to the grand jury the code that was used?

Mr. ARNOLD. I did not.

Maj. HUMES. Were you interrogated about it in any grand jury proceeding?

Mr. ARNOLD. I was not.

Maj. HUMES. And do you remember the fact that the code book that was presented from your office had some missing pages?

Mr. BAILEY. I rose to interrupt, and the Major insisted on finishing the question. He proceeded to ask the question as to what the interrogation was. I arose to make the suggestion at the time he asked if he was interrogated. That is all right; that is my recollection of it. Mr. Arnold, I suggest that you say to them that you do this only because ordered by the committee, so as to protect yourself if any question should arise about your disclosing the secrets of a grand jury room.

Senator OVERMAN. In order to protect him, I will ask him to please answer the question.

Mr. BAILEY. What is that, Senator?

Senator OVERMAN. I will order him to answer the question.

Mr. BAILEY. Let the record show that he objected upon the ground that he did not want to disclose what transpired in the grand jury room, and that the chairman then ordered him to answer it, and that he answered it under protest. That makes the record sufficient.

Senator OVERMAN. Yes; that is all right.

Maj. HUMES. Now, answer the question, please.

Mr. BAILEY. Protesting only on the ground that he did not want to divulge what transpired there.

Mr. ARNOLD. What is the question, now?

Maj. HUMES. I will ask to have the question read.

Mr. BAILEY. What I think he asked the witness was whether there were not several missing pages in the code book that was produced before that grand jury.

Maj. HUMES. Were there not several pages missing from the code book that was presented to that grand jury?

Mr. ARNOLD. I am telling you that I did not present that book and I know nothing about it. The code books, as we used them, were discarded some two or three months before then, when we went to war and the Secretary of War announced that coded messages should not be sent, as they might be under some sort of suspicion or delay on account of spies and things of that sort, and we soon discontinued the use of the code books, or at least minimized it.

Let me see where this place is in the book that you refer to.

Maj. HUMES. I think I can find it for you in just a minute here. I had the pages marked, but the marker seems to have fallen out. Here it is—from page 306 to page 319.

Mr. BAILEY. I want to suggest, Mr. Chairman, that Maj. Humes is not identified this yet as the book that was——

Maj. HUMES. That is what I am trying to do.

Mr. BAILEY. No; but you would not, of course, say that you have the right to take a book to a witness and without telling him where it was used ask the question in that way. Somebody might have handed you this book on the street. This witness has already testified that he did not present it and knew nothing about it.

If Maj. Humes will say that this is the book that was used by somebody before the grand jury, then Mr. Arnold will answer.

Maj. HUMES. I will say that that is the book that was produced by Mr. Arnold, or some one representing his office. I do not presume to say whether Mr. Arnold personally presented it or whether Mrs. Gorden did; but that is the book that was presented as having been the code used.

Mr. BAILEY. With that statement, of course, Mr. Arnold will proceed to answer.

Mr. ARNOLD. Will you give me that question again?

Maj. HUMES. I ask you if that is the code book that you used, and the pages from 306 to 319, inclusive, were missing when it was presented before the grand jury?

Mr. ARNOLD. I could not say. I did not present it; I could not say.

Maj. HUMES. Do you remember the fact that there were missing pages from that code book?

Mr. ARNOLD. I should think so. There would be a change in the code names of men, and in that way a change would be made probably once a month, or something like that. The rest of the code book would be immaterial, as it is on sale anywhere and everywhere, and there is not any secret about it; but the names of the men that we did not want to disclose would naturally not be in the code book.

Maj. HUMES. They were torn out and abandoned?

Mr. ARNOLD. After a while. They were used for a while and then they would be changed.

Maj. HUMES. Why were they torn out? I believe you gave a reason for it a moment ago, but I do not know that I caught your reason.

Mr. ARNOLD. I say they would be discontinued. They would be superseded by some other list.

Maj. HUMES. I thought you said something about an order of the Secretary of War having something to do with it.

Mr. ARNOLD. That would be to the discontinuance of the code book entirely.

Senator WOLCOTT. Code messages?

Mr. ARNOLD. Code messages; yes. I think that was his request, if I recall it correctly, soon after we went to war. At least, my attention was called to it two or three times by parties.

Maj. HUMES. Was that the reason that the home-made portion of this book was destroyed?

Mr. ARNOLD. Oh, no. That was the reason for the discontinuance of the book.

Senator OVERMAN. I understood you to say, Mr. Arnold, that account of secrecy you would add certain other of your own material there to the code?

Mr. ARNOLD. That would be as to parties whose names we had have added, and we changed that once in a while.

Senator WOLCOTT. Let me ask you this: Are the missing pages of the book pages that contained code names of men?

Mr. ARNOLD. I could not say that. I imagine that is so. I presume it is.

Senator WOLCOTT. Having your own set of men whose names were going to employ, or might use in your messages, you got the code to fit those particular names?

Mr. ARNOLD. That is correct.

Senator WOLCOTT. That is right?

Mr. ARNOLD. Yes. And that code would be changed probably once a month, or something like that.

Maj. HUMES. And that was the portion of the code that was taken out of the book?

Mr. ARNOLD. I could not say.

Maj. HUMES. Or that is missing from the book?

Mr. ARNOLD. I presume so. I could not say.

Now, may I make the general statement which I asked to read a while ago?

Maj. HUMES. Yes.

Mr. ARNOLD. Peter Radford, who is the central figure of the work—it is probably of some importance that you understand what he was doing and how he was doing it—in addition to the matter of scientific production and the bettering of markets he saw a tendency on the part of legislatures to pass many laws that increased the expense of farming and few laws that decreased it.

He was not a highly educated man, but he was able to grasp the fundamentals of government and of society.

I have seen him sit in the office and take a board and, in a certain way, balance up the acts of Congress as they related to agriculture, taking a debit and a credit side.

Take, for example, the Adamson law, which I believe was a law of increasing the expense of railroading \$50,000,000 to \$100,000,000, and the farmer, perhaps, bore half of it; that would mean \$50,000,000 on the debtor side of agriculture and nothing on the credit.

He was not opposed to eight-hour laws; but where does the farmer come in? Can he stand it? Those were the questions that were in his mind, not only in the matter of that sort of legislation but in such items as personal injuries, and there was a tendency on the part of legislatures, apparently, to make it easier for a man who was injured to collect more money from the railroads or from industrial institutions, which became an operating expense, and the farmer paid it. That was all right. We favored that. But how about the farmer when he got injured? Who paid him?

It was the inequality and not the act of which he complained.

Then, take the item of pensions, which many of the industrial institutions employed—a very proper one—of pensioning their employees, and yet it becomes an operating expense. The farmer?

it. Yet, when the farmer becomes old and indigent, he must go over the hills to the poorhouse.

Then, again, we find many of our industrial institutions boast of entertainments, such as parks and playgrounds, and music and rest rooms for their employees. That is all right. That is fine enough. But it is an operating expense, and the farmer becomes the host. He pays it.

Senator OVERMAN. If you do not object to that, why make that speech?

Mr. ARNOLD. I am just trying to get into your minds, Senator, an understanding of these things which were in his mind.

Mr. BAILEY. He wants to state the purpose of this organization, Senator, and the men at the head of it.

Senator OVERMAN. Was the purpose of this organization to antagonize those laws?

Mr. ARNOLD. It was the purpose to study those laws, Senator, not to antagonize them. We did not antagonize them.

Take the matter of farm machinery—getting away from legislation—an item of very especial interest was the matter of farm machinery; and the manufacture of farm machinery increased the wages of their employees, I believe, \$100,000,000. They increased the price of farm machinery a similar amount, and passed it on to the farmers. He analyzed those things. He claimed the right of representation on those boards.

These are the things that he was undertaking to stand for, and the same with the tariff—a protection tariff—that gave protection to manufacturers and none to the farmer; and in that tariff cotton, especially, was an item that was discriminated against, it being not possible for protection; and it was Mr. Radford's idea that the policy of protection should be extended to all matters. In that respect he probably did not differ from Calhoun and others who have gone on before, who have contended against that discrimination, where a farmer must buy in a protected market and sell in a free one; forcing him to buy in an 8-hour market and sell in a 14-hour market.

Those were the things that he was undertaking to analyze, to study, and to watch closely in the interest of the farmer, and to do that through organization and publicity work.

In doing that, in organization, he recognized that there must be farm organizations to stand and represent these things.

Those are the things, largely, that were in his mind, the things that he was undertaking to do; and to do them, he said to get money wherever we could for that purpose, and any way we could, and that we have probably done.

Senator OVERMAN. Did you get any money for the purpose of opposing the Adamson law?

Mr. ARNOLD. Yes.

Senator OVERMAN. From the railroads?

Mr. ARNOLD. No. No; not from the railroads. When the Adamson law first came up—that was a year ago—or rather it was the 8-hour law, I believe, Mr. Radford saw what was coming there, and he tried to do what he could to represent the interests of the farmer. He opposed it, and he suggested—or I suggested, on his behalf, and at some time suggested to railroad presidents that it was a matter

between the men who paid the freight, the farmers, and the people who received it; that the railroads would simply have to increase their rates to foot the bill.

Senator OVERMAN. That is, if the Adamson law passed: of course there would have to be an increase in the freight rates?

Mr. ARNOLD. That is the point.

Senator OVERMAN. And that would affect the farmer directly?

Mr. ARNOLD. Yes.

Senator OVERMAN. I see how that could be, and it was probably wise. The question I asked was, Was there any contributions to the organization to defeat that law?

Mr. ARNOLD. There were contributions made that were used, at least, for that purpose. Mr. Radford solicited money, and tried to get, through Mr. Swenson, money for that purpose some 12 months before the Adamson law came up, and repeatedly tried during that interval, but was unable to do so until it was a law, for that matter, or practically so.

Senator WOLCOTT. Was Mr. Swenson a railroad man?

Mr. ARNOLD. No.

Senator WOLCOTT. Was he connected with any railroad?

Mr. ARNOLD. I could not say. His interests, as I know them in Texas, are that he is interested in ranches and stock lands and stock and things like that. He has a large ranch there. I could not tell you about his investments. I do not know anything about them. I could not give you a list of them.

Senator WOLCOTT. What is his first name? What are his initials?

Mr. ARNOLD. E. P.

Senator WOLCOTT. What does the "E" stand for?

Mr. ARNOLD. Eric P. Swenson, I think.

Senator WOLCOTT. Eric?

Mr. ARNOLD. Yes. I think I noticed that in your affidavit there.

I would like to have the Adamson pamphlet. Have you one of them there, Maj. Humes?

Maj. HUMES. I have all that you gave me. I did not notice any of the Adamson law. Here they are.

Mr. BAILEY. I have one of those pamphlets at my office, and I ask permission to put it in, Mr. Chairman.

Mr. ARNOLD. I do not seem to have one of them here. I thought I had one of those Adamson pamphlets here, but I do not seem to have it.

Mr. BAILEY. I have one at my office, if the Chairman please, and I want to have it go in with Mr. Arnold's testimony.

Senator OVERMAN. Is there much of it?

Mr. BAILEY. Well, I think it a very sensible production.

Senator OVERMAN. Could you not edit it?

Mr. BAILEY. Yes. All I care about going in is a statement that they sent out to Mr. Lovett, who then represented the railroads, which it was said that if the railroads are willing to divide their dollars with their operatives, we are perfectly willing for them to do so, but if the railroads intend to pass this charge on to the farmers of this country, or to those who must use them for fares and freight, then we protest against it.

Senator OVERMAN. That is all right. That may go in.

Mr. BAILEY. There are only five or six lines which define their attitude on all of those questions.

Senator OVERMAN. There is no objection at all to that going in. It should go in. But the pamphlet, as a whole, may contain many other things not germane to this investigation.

Mr. BAILEY. That defines their attitude on that and all other questions, and that is what I want to go in.

Senator OVERMAN. All right. That may go in.

(The extract referred to will be found in this record, on page 2614.)

Maj. HUMES. One of the mouthpieces of the organization in publicity work was Mr. Pope, was it not? And he promulgated some of these arguments and some of this publicity material in carrying on the work of your bureau, so that his attitude would simply be a reflection of the attitude of the organization. Is not that true?

Mr. ARNOLD. Not at all. Mr. Pope was president of the Association of Farmers' Union Presidents, and Mr. Radford was an official of that organization. I worked with Mr. Radford. I had no business connection whatever with Mr. Pope.

Maj. HUMES. You had no connections with Mr. Pope?

Mr. ARNOLD. Well, no. I had no business connections with him. I knew him around the office.

Maj. HUMES. You never sent out his publicity material to the newspapers.

Mr. ARNOLD. Oh, yes; if Mr. Radford wanted it; just like we sent out matter from the National Farmers' Union, or anything else.

Maj. HUMES. You never sent out telegrams and signed Mr. Pope's name to them, and sent material out in his name?

Mr. ARNOLD. Not unless Mr. Radford wanted it done. I was in the capacity of clerk.

Maj. HUMES. He frequently wanted that done, did he not?

Mr. ARNOLD. At times, I suppose so.

Maj. HUMES. Yes. Then you had more than simply a casual acquaintance with Mr. Pope?

Mr. ARNOLD. I did not indicate that I did not have an acquaintance with Mr. Pope. I said that my relations were with Mr. Radford. Mr. Radford worked with Mr. Pope or whomsoever he pleased.

Maj. HUMES. And Mr. Pope and Mr. Radford were carrying on his work together, were they not?

Mr. ARNOLD. Yes; they worked together.

Maj. HUMES. And the utterances of one were merely a reflection of the views of the other, were they not?

Mr. ARNOLD. They worked together very intimately.

Maj. HUMES. Yes; and you frequently sent out press matter in the name of Mr. Pope because of the fact that he was the president of the Association of Presidents of the Farmers' Union, did you not?

Mr. ARNOLD. We sent out stuff from all officials of organizations or of industries. We did not use any other kind except officers of organizations; that was the sort of publicity that we always sent out, and that included Mr. Pope.

Maj. HUMES. In sending out your publicity matter, you would send it out in the name, or at least used the name and the authority of these persons who had some official connection with some of these organizations in order to give an official status to their utterances, would you not?

Mr. ARNOLD. Yes; everything we sent out was ordinarily by the official of some organization. That is what we sought.

Maj. HUMES. Then, is it not a fact, Mr. Arnold, that the plate-matter sent out in the name of Mr. Pope would be a reflection of the views of Mr. Radford, as you have described them here?

Mr. ARNOLD. No; I could not say that. It would be the joint opinion of them, at least.

Maj. HUMES. Well, the joint opinion, then.

Mr. ARNOLD. Yes. I think Mr. Pope and Mr. Radford worked very intimately together.

Maj. HUMES. Yes.

Mr. ARNOLD. I am sure they did.

Maj. HUMES. Is your statement completed? Have you completed it?

Mr. ARNOLD. I think so; yes.

Maj. HUMES. Now, Mr. Arnold, what proportion, approximately, of the contributions made for your work were handled through your hands and through your records, and what proportion were handled directly by Mr. Swensen, as he handled the plate-matter transactions never coming into your hands?

Mr. ARNOLD. Well, I could not say. I do not know that I would know just how much money Mr. Swensen handled. I do not know that I would know that; but we sent out plates for about six months and I think we spent \$10,000 a month, or something near that. I think \$10,000 every six weeks. There were six columns to the page and I think a column a week—the columns as there indicated [indicating newspaper] were about what we sent out. Then we were not able to continue that except at irregular intervals.

Maj. HUMES. Let me understand on that item. That plate matter was practically all, as I understand it, paid for by Mr. Swensen and did not go through your hands at all, but was paid directly by him to the plate houses?

Mr. ARNOLD. Practically so; yes. That is right.

Maj. HUMES. So that would be \$10,000 a month for approximately six months?

Mr. ARNOLD. Yes.

Maj. HUMES. That would be about \$60,000?

Mr. ARNOLD. I expect he spent that much.

Maj. HUMES. Were there any other sums paid by Mr. Swensen directly that did not go through your hands?

Mr. ARNOLD. To anybody?

Maj. HUMES. Yes.

Mr. ARNOLD. Not that I can recall.

Maj. HUMES. All the rest of the money that was spent by these organizations went through your hands, and was ultimately spent by you?

Mr. ARNOLD. I think so; yes. I think that is correct.

Senator WOLCOTT. But Mr. Swensen did, in addition to paying for the plate matter, send money direct to you folks down in Texas.

Mr. ARNOLD. Yes; we got some support there direct from private individuals like himself, who contributed in that section of the country.

Maj. HUMES. What were your average annual expenditures, as from the money expended direct by Mr. Swensen from, say 1914.

date? What were the average annual expenditures; what would they be?

Mr. ARNOLD. Well, they would run from probably thirty or forty thousand—let me see; it would run from two thousand to three thousand dollars a month, I should say. We could not run with much less than that.

Maj. HUMES. Two or three thousand dollars a month?

Mr. ARNOLD. Yes; to do any sort of business. Sometimes we did not spend that much. The last year we have not spent anything like that.

Senator WOLCOTT. That was aside from the plate expenditures made by Mr. Swenson?

Mr. ARNOLD. That was aside from the plate expenditures made by Mr. Swenson.

Maj. HUMES. This money that was contributed to you from the various sources, was it deposited in a bank account, or was it paid in cash?

Mr. ARNOLD. Well, it would be ordinarily deposited, I should say, in a bank.

Maj. HUMES. In what bank, and in whose name?

Mr. ARNOLD. We deposited our money in the American National Bank at Fort Worth.

Maj. HUMES. In whose name was it deposited?

Mr. ARNOLD. The money, as I understand it, would be deposited in the name of Mr. R. V. Muse. I think all of it would be deposited there and then distributed by him. Mrs. Darden, however, could give you that information more accurately than I could. In those matters of handling accounts, and handling the office, I should want her statements to supersede mine, if they interfered in any particular, because she knows more about it. She handled it. I did not.

Maj. HUMES. As far as you know, then, was there any money deposited, any of this money, in your own name, personally?

Mr. ARNOLD. Well, I do not know your dates, there. Probably we might have changed our methods at some time. As a rule, I do not think I personally handled any of the money, and I only handled it when at some time it was necessary to do so; although I would not object to it, and may have, at times, deposited money in my account for a while, and then turned it back for that matter. The general plan, however, was to pass all of it through that account, although there might have been variations in it, and no doubt were.

Maj. HUMES. Your practice was the general practice of depositing this money in Mr. Muse's accounts?

Mr. ARNOLD. I will say yes to that.

Maj. HUMES. The money that was expended, was it expended by check? What was your method of expending it?

Mr. ARNOLD. Well, the money that was used—yes, I should say we drew it out of the bank by check, of course, if we put it in there. I probably do not catch your question.

Maj. HUMES. I mean, did you liquidate your indebtedness and the debts that you were paying in cash, or did you expend all this money by check?

Mr. ARNOLD. Well, I should say by check.

Maj. HUMES. Have you your canceled checks, or your check stubs for these expenditures?

Mr. ARNOLD. No.

Maj. HUMES. Where are they?

Mr. ARNOLD. We did not keep them any longer than was necessary to account to the contributors for them. We had no further use for them.

Maj. HUMES. How long did you preserve these records?

Mr. ARNOLD. Not any longer than was necessary to account to those who made the contributions.

Maj. HUMES. How long, ordinarily, was that?

Mr. ARNOLD. It might be a month, or it might be six weeks.

Maj. HUMES. But they have all been destroyed now, have they?

Mr. ARNOLD. I gave you, I think, what I had on hand there.

Maj. HUMES. All but these have been destroyed?

Mr. ARNOLD. That is all I know anything about; yes.

Maj. HUMES. And all of the rest of the canceled checks and all of the check stubs have been destroyed?

Mr. ARNOLD. I do not know as we ever had any check stubs in that matter. We checked out the money from the bank, and issued the checks.

Maj. HUMES. Have you a list or record of the contributors to this fund?

Mr. ARNOLD. I have not.

Maj. HUMES. Did you keep such a record?

Mr. ARNOLD. Of the names of the men who contributed?

Maj. HUMES. Of the names of the men or the organizations.

Mr. ARNOLD. No; I have no record now. No; I have no record.

Maj. HUMES. Will you state to the committee, as far as you remember, the names of the persons or organizations who contributed to this fund that was used as you have outlined?

Mr. BAILEY. I must interpose an objection to that question, V. Chairman. If he wants to know who, if any men, owning a brewery or interested in a brewery, contributed, we are ready to answer. But to set this man on the witness stand here and make him divulge the names of contributors—and perhaps I ought to say that it has been more or less of a political issue revolving around this organization in Texas; a suit was brought to dissolve it; some of the politicians liked it and some of them did not; and I want to say, for the benefit of the committee, that I was not one of the public men in this State who have enjoyed the benefit of its influence; still, that does not affect my view of its usefulness in some directions—this man or any man might have contributed in a matter wholly apart from any subject under inquiry here, and I am going to instruct Mr. Arnold not to answer that question except as to brewery contributions.

Any question about the brewers or anyone interested in them connected with them, he will answer, but he is not going to give a list of the names outside of that.

Maj. HUMES. Mr. Chairman, I do not conceive it to be my duty to make an argument in behalf of the introduction of any particular class of testimony, because it is only my purpose to assist, and under my instructions I am only to assist and cooperate with this committee. It is a matter for the committee to decide.

Personally, I feel, however, that the only way that this committee can ascertain the source of the influence that inspired and financed

the activities described by the witness is by disclosing the financial support which made possible the activities; and it is for the committee to then determine whether or not that support was either a direct contribution of brewers or brewery interests or whether it was an direct cooperation and support from breweries and brewers, or whether it came from sources entirely separate and independent of that interest.

I do not understand that this committee is sitting as a court to hear an argument or a contention between Senator Bailey and myself on the question of the admissibility of this evidence.

In undertaking to prepare this matter and to present it to the committee, I have conceived that the only way to do it is to disclose to the committee all of the facts in connection with these activities.

If the committee agrees with me in my understanding of the best way of disclosing this matter, of course this testimony ought to go; and that, of course, is purely a matter for the committee. I want to cooperate in the best way possible to produce all of the facts, let the chips fall just where they may, with none to serve and none to perish.

Senator OVERMAN. I understand that you instruct your client not to answer this question, Mr. Bailey?

Mr. BAILEY. Yes; I will. I do not want to do it, Mr. Chairman.

The committee is instructed to inquire about two questions: German propaganda and brewery contributions. I make no question, now, about the authority of the Senate to order that kind of inquiry. I said to the committee yesterday that we are ready to give them any information on either question in our possession.

For instance, suppose I had contributed to that organization. I did not; but I would have done it to have assisted in much of this work. Could it be imputed to me that I was engaged in German propaganda or that I was engaged in aiding the breweries?

For instance, in regard to these plate matters here; I see the photograph of the junior Senator from Texas here, with some argument that he made in behalf of prohibition; and I see the Hon. William H. Taft's photograph on this same page. I believe he has an argument against prohibition. I do not know who paid for that. I do not know if anybody paid for it. But if they did, surely Senator Sheppard would not have been suspected of having paid for his prohibition argument with brewery money.

Maj. HUMES. I call your attention also to the fact that it is about a two-to-one shot. Mr. Brisbane, in the same paper, and Mr. Taft, presenting views on one side; a statement of Senator Sheppard, with an apology by way of introduction, in the same sheet—

Mr. BAILEY. The colonel says, "an apology." I will tell you what an apology is. A statement that he believes in presenting both sides of every question. That is what these people were doing. They were an educational organization, and it was their purpose not only to teach the farmer what was his interest, not only to try to instruct him in scientific and economical agriculture, but to teach him to think; to think, if necessary, on both sides, so that he might get which was the right side of every question as it arose, and its proper name, I believe, is "educational and cooperative." And it was a proper thing. They introduced Senator Sheppard's statement with the statement that they wanted both sides presented.

Suppose the railroads contributed. I do not know that the railroads as corporations contributed, but these gentlemen would have accepted the contribution. They make no concealment of that. I say in their prospectus that they will take the contribution of everybody interested in the betterment of agriculture. Suppose the railroads contributed. I believe they resisted the passage of what is known as the full-crew bill in Texas—am I right about that, Mr. Arnold?

Mr. ARNOLD. Yes.

Mr. BAILEY. Upon the theory that every time you require the railroads of Texas to expend a dollar, 40 or 50 per cent of it is paid by the farmers of that State; and, believing that it was unnecessary to employ people that did not have any work to do, they joined the railroads in that.

Another part of the activities of these gentlemen was to promote a better understanding between the farmers and the townspeople there, to get away from the old idea and the old prejudice that there must be a conflict between those who till the soil and those who run the stores, necessarily.

Suppose the merchants contributed—and in my opinion some of the largest merchants in the State did contribute to this merchants' secretaries' or commercial secretaries' organization——

Senator OVERMAN. Suppose the meat packers contributed?

Mr. BAILEY. Very well. If you are authorized to investigate the activities of the meat packers, we will tell you anything you want to know about that.

Now, we had a contest down in Texas, and one attorney got brought quo warranto proceedings against this commercial secretaries' association upon the ground that it was a political organization intended to help the other side.

Those are the controversies we are trying to avoid here.

We are ready to have these organizations tried and searched to the uttermost upon every fact and circumstance that can relate to these matters which your committee has under inquiry; but I think it that the committee does not want to thrash out Texas politics. I take it that your committee does not care to inquire the names of the merchants who contributed to this organization, believing that they would promote a better understanding between the people of the town and the people in the country.

There are many of the purposes of this organization with which I thoroughly sympathize, and yet it is fair to say that I do not know what Mr. Arnold's attitude toward me was when I was in public in Texas, but I suppose I never had a more bitter antagonist than Peter Radford. Peter Radford has been well designated as a man of uncommon common sense. Without any education, he was a Populist. And you may be sure that no man whose democracy was not of the strictest kind ever had any political favor to bestow.

I have no sympathy with some of the things that they did with some of them I was in thorough accord. Though I did not contribute to it, I would have contributed to it.

Now, Mr. Chairman, remembering that this is an inquiry into the activities of these organizations relating to the brewers' interests, German propaganda, do you want recorded, in an inquiry conducted along these lines, the names of hundreds of the best citi-

Texas, hereafter to be pointed to as men who were identified with an inquiry into German propaganda and into brewery interests?

I do not want to raise the issue with the committee. I do not think it will be necessary to do it; because I do not think the committee itself thinks that it is proper to go into those things. I am satisfied that it is not going to do it.

Senator OVERMAN. I understand, Mr. Arnold, that you will follow the advice of your counsel and decline to answer the question under discussion?

Mr. ARNOLD. Yes.

Senator OVERMAN. For the present, Maj. Humes, pursue the inquiry along the lines of the German propaganda and the brewery interests, and we will take under consideration, in executive session, this question which has been raised by Senator Bailey.

Senator NELSON. Have you got a list of names, or any names, you suspect? You might ask him about those particular ones.

Maj. HUMES. I could not complete that list under the ruling.

Mr. BAILEY. If you will submit any list of names you have that you think are identified with the breweries or with the German propaganda, we will go over it with you. I do not care whom you ask about if you ask about him in connection with the German propaganda, or we will call it the brewery propaganda. I want to say to the committee, while I am on my feet again, that, so far as I am concerned, I do not believe in the use of money in politics at all, but I never was able to see why the breweries did not have the same right to protect their business when the Anti-Saloon League was using money to destroy their business. I believe that if a man believed in prohibition he was justified in contributing to establish it; and if he did not, he was justified in contributing to defeat it.

We are ready to make any disclosures in the world as to our knowledge of that. If Col. Humes has anybody interested in the breweries or connected with the breweries, and he will submit the names to me—I do not know them myself, I suppose Mr. Arnold does; I do not know—we will help him to revise his list and complete the list and get all the information he wants about it. We have nothing to conceal about it.

Senator OVERMAN. Maj. Humes, can you reserve this question for consideration in an executive session, or do you want the question decided right now?

Maj. HUMES. I have not any particular desire on that question, except this, that it may result in continued objections, because it is rather difficult, perhaps, in this examination to confine myself as strictly as the chairman has suggested, and ask direct questions. I could pursue the examination by asking indirect questions along this line, within the ruling of the chairman.

Senator OVERMAN. You can ask any question, and if he desires not to answer it, we will take the question up.

Senator WOLCOTT. Just a moment. I am wondering in my mind if we really are not putting the cart before the horse. I know nothing at all about this organization. I do not know what Maj. Humes and Capt. Lester may have in the way of information about it. It seems to me the logical course to pursue is to show the committee first whether or not those organizations were engaging in any kind of brewery propaganda; and if we find they were, then probe the

contribution list, and I am frank to say that if there is any evidence either in the shape of these plates and their contents or some other shape, that shows that the organization was aiding in a secret way the brewery propaganda, I should be in favor of going with considerable latitude into the inquiry as to who put up the money.

Mr. BAILEY. And we will aid the committee in that, if that can be established here. I should not be very squeamish about hunting for individuals in the list. But are you prepared to go ahead now and show wherein this organization was doing anything in aid of the brewery propaganda, without disclosing its interests or its connection with the brewery business?

Maj. HUMES. That is bound always to be a matter of opinion, as to what certain things were intended for.

Senator WOLCOTT. There is nothing before the committee now, that I recall, that enables the committee to form any opinion whether or not any particular thing was brewery propaganda.

Maj. HUMES. I will make some inquiry along that line.

Senator WOLCOTT. I glanced over these sheets in three or four minutes, looking at the headlines, and nothing caught my eye as being of a brewery nature. There is something there, maybe, that I did not see.

Maj. HUMES. Mr. Arnold, what was the attitude of Mr. Radford on the liquor question?

Mr. ARNOLD. He was a Prohibitionist, always voted for it, and always favored it.

Maj. HUMES. Have you any writings of his to show that he was a Prohibitionist?

Mr. ARNOLD. I do not know. None to show that he was not.

Maj. HUMES. Did you know Mr. R. L. Autry, of Houston?

Mr. ARNOLD. I did.

Maj. HUMES. Did you ever have any business with him?

Mr. ARNOLD. I had.

Maj. HUMES. Did he make contributions? What is his business?

Mr. ARNOLD. He is interested in the brewing business. He probably has others.

Maj. HUMES. He is an official in the Texas State Brewery Association, is he not?

Mr. ARNOLD. I never heard of that organization.

Maj. HUMES. Did you receive contributions from him?

Mr. ARNOLD. He has given me some money, yes, as an individual, not as any association.

Maj. HUMES. As an individual?

Mr. ARNOLD. Yes.

Senator WOLCOTT. You mean he, as an individual, has given it to you, and you have received it in behalf of this organization that you were connected with? Is that the idea?

Mr. ARNOLD. Yes, sir.

Maj. HUMES. In the code that you used you had a code word for Mr. Autry's name, did you not?

Mr. ARNOLD. Not that I recall.

Maj. HUMES. Was not Mr. Autry's code name in your code "Confidy," and was not that the name you used in telegrams in reply to Mr. Autry?

Mr. ARNOLD. Not that I recall. I could not say.

Maj. HUMES. Do I understand that that is tantamount to a negative or—

Mr. ARNOLD. We listed the names of many men, and I could not know. I suppose we sent a code telegram if we had any occasion to use it, but I do not recall that there is any significance one way or the other.

Maj. HUMES. Did you ever come in contact with anyone representing the United States Brewers' Association?

Mr. ARNOLD. I could not say.

Maj. HUMES. Do you know Mr. John A. McDermitt?

Mr. ARNOLD. I have met him; yes.

Maj. HUMES. When and under what circumstances?

Mr. ARNOLD. Nothing except in a casual way.

Maj. HUMES. Where did you meet him?

Mr. ARNOLD. I do not recall it now. I probably met him in New York.

Maj. HUMES. Did you meet him in Chicago?

Mr. ARNOLD. Perhaps so.

Maj. HUMES. Do you know Mr. Lansberg?

Mr. ARNOLD. I have met him.

Maj. HUMES. He was connected with the United States Brewers' Association, was he not?

Mr. ARNOLD. I do not know.

Maj. HUMES. Did you ever receive any financial support from him?

Mr. ARNOLD. From Mr. Lansberg?

Maj. HUMES. From Mr. Lansberg.

Mr. ARNOLD. Yes.

Maj. HUMES. Did you ever receive any financial support from Mr. John A. McDermott?

Mr. ARNOLD. I did not.

Maj. HUMES. Did you not meet Mr. Lansberg at the suggestion of Mr. John A. McDermott through Mr. John A. McDermott?

Mr. ARNOLD. No.

Senator WOLCOTT. You say you received no support, no financial support, from Mr. John A. McDermott?

Mr. ARNOLD. No; he has never given any.

Senator WOLCOTT. Did you ever receive any through him?

Mr. ARNOLD. No.

Senator WOLCOTT. Any financial support through him?

Mr. ARNOLD. No, not that I know of. No, I did not.

Maj. HUMES. You knew that Mr. Lansberg was a very prominent brewer and was connected with the United States Brewers' Association?

Mr. ARNOLD. I did not.

Maj. HUMES. You knew he was a brewer, did you not?

Mr. ARNOLD. No; I do not know as I did.

Senator WOLCOTT. Have you heard from anybody that he was? Not of your own knowledge; what you have heard?

Mr. ARNOLD. I rather suspected he was. He was concerned as a lawyer. My impression was he was a lawyer.

Maj. HUMES. Then you suspected that he had some brewery connection? Do you know of anyone connected with the Anhauser-Busch Co. in St. Louis?

Mr. ARNOLD. Do I know them?

Maj. HUMES. Yes.

Mr. ARNOLD. Yes; I have met them; met Mr. Faust. He is connected, but is not now, I believe.

Maj. HUMES. Did you ever receive any financial support from that source?

Mr. ARNOLD. No.

Maj. HUMES. From anyone connected with the Anhauser-Busch Co.?

Mr. BAILEY. Do not shake your head. Use words. The stenographer can not get the shake of the head.

Mr. ARNOLD. No; I never did. I think they contributed toward the Texas Business Men's Association, probably back in 1912 or 1913. I think we met him in St. Louis, and Mr. Faust made a contribution, 10 or 12 years ago, but not since then.

Maj. HUMES. That was the Texas Business Men's Association?

Mr. ARNOLD. I think it was. He was president of the bankers' association, and contributed, and some of the others contributed. The same may be said of all the other brewery associations.

Maj. HUMES. What other brewery contributions have you in mind?

Mr. ARNOLD. Those that you allege as having brewery connections.

Maj. HUMES. I want you to describe them by name.

Mr. ARNOLD. You have just named them. I may say that Mr. Autry gave me private money, not of a brewery association or of a brewery organization.

Maj. HUMES. How do you know?

Mr. ARNOLD. He said it was.

Maj. HUMES. That is what he told you when he gave it to you.

Mr. ARNOLD. Yes.

Maj. HUMES. Do I understand you to say that the only two contributors that ever contributed to your organization are the only two that you suspect in the brewing business, Mr. Lansberg and Mr. Autry?

Mr. ARNOLD. I never inquired of the men that contributed to me a list of property. I could not answer that. We took it wherever we could get it, and used it as we wanted to use it, not controlled by them, not used for them.

Maj. HUMES. As I understand it, you remember having received contributions from Mr. Autry and Mr. Lansberg, whom you at present suspect are connected with breweries, and if any of the other contributors are connected with breweries, you have no knowledge of it.

Mr. ARNOLD. I could not say that they were.

Maj. HUMES. Now, Mr. Chairman, I simply suggest to the committee the absolute necessity of going into the question of who the contributors are, in order that the committee may determine whether the witness says he is unable to determine, namely, the question to the brewery connection of contributors.

Mr. BAILEY. If the Major could identify them that way, if he take a list of every man that ever contributed, John Smith, Jones, and all the others, and could pick out from that list the ones with brewery connections, he can ask about them now. He would know any more after the list was given than he does now. 1

just a fishing expedition. The truth of the matter is that the Major does not know anything about the activities in this respect, and is just fishing. I sat here for four hours yesterday and up to the present time to-day waiting for him to lay the predicate for his questions. And it now transpires that he has got three names.

Maj. HUMES. We caught three fish in a very short time on that fishing expedition.

Mr. BAILEY. Oh, no; you did not catch anything that we would not have told you and told the committee and told the world.

Senator OVERMAN. Have you a list of the names?

Maj. HUMES. No, sir; I have not. And how much more appropriate it would be under the circumstances, if a list is to be submitted, for this witness to submit confidentially to the committee a list of the contributors in order that it might act intelligently on all of the questions the Senator raises.

Mr. BAILEY. The witness is ready to testify as to anybody or any brewery connections or brewing interests, so far as he knows. The witness is ready to testify to anybody connected with German propaganda so far as he knows. He is ready to furnish any names. He is not able. The witness says that when the contributor offered his money he did not ask him his name; he did not ask him his connections; he took the money and used it for purposes of his organization. He read to the committee in the very beginning of his testimony the authority he had to solicit contributions from everybody interested in the betterment of agriculture. I assume that everybody in this country is interested in the betterment of agriculture, and that would embrace every man—that invitation, that authority to these people to solicit the subscriptions.

Senator OVERMAN. Mr. Arnold, will you furnish the names of those from whom you received contributions——

Mr. BAILEY. No; he will not.

Senator OVERMAN. You have not heard my question.

Mr. BAILEY. What?

Senator OVERMAN. You have not heard my question.

Mr. BAILEY. Excuse me, Mr. Chairman, please.

Senator OVERMAN. Will you furnish to the committee a list of those who contributed to that, who you knew or had reason to suspect were connected with the Brewers' Association?

Mr. BAILEY. Yes, he will furnish that.

Maj. HUMES. The witness has just stated that with the possible exception of Mr. Autry or Mr. Lansberg he knows nothing of the connections of those who contributed.

Senator OVERMAN. He said that he had reason to suspect.

Maj. HUMES. Just one; that is Mr. Lansberg.

Senator OVERMAN. I confined my question in that way. Will you furnish the names of any others that you had reason to suspect, by public knowledge or by other means, were connected with brewing interests?

Mr. ARNOLD. They were the only ones that I would say were concerned.

Senator OVERMAN. Or that you suspected were concerned?

Mr. ARNOLD. Yes; so far as I know.

Mr. BAILEY. We will relieve the committee of that inquiry by saying that without a minute's hesitation he would have accepted a contribution from any brewer in the United States, that might have come to him.

Senator OVERMAN. That is not the question. That is not what I wanted to know. I want him to give us the names of any person that he had reason to suspect, by public knowledge or otherwise, that he knew.

Mr. ARNOLD. I do not. I may add Mr. Faust. Lansberg and Faust—I should say Mr. Faust contributed some 12 years ago.

Senator OVERMAN. Are those the only three that you had reason even to suspect.

Mr. ARNOLD. Yes; they are all. I would have been glad to take from any of them.

Senator OVERMAN. That is not the question. Did you know, or have reason to suspect, that any other contributors were connected remotely, directly, or immediately, with the brewery interests.

Mr. ARNOLD. No, sir; I could not say.

Senator OVERMAN. Were there any saloon keepers or was there anybody connected with the whisky business?

Mr. ARNOLD. Any saloon keepers?

Senator OVERMAN. Yes.

Mr. ARNOLD. No, sir. If any of them contributed, I do not recall it. We had a \$5 list there, and there might have been some got in there once or twice, but I do not remember that they did. You take a man like that, he might contribute because he wanted to promote the work, or something like that.

Senator WOLCOTT. What was the extent of Mr. Autry's contribution?

Mr. ARNOLD. I can not recall it just now, but during 1914 there was some plate matter in Texas, in the campaign, during the campaign, that he paid for, that he got the money for. Whether it was brewery money or not I do not know.

Senator WOLCOTT. Did he pay directly to you or to the plate manufacturers?

Mr. ARNOLD. He paid the bills. He probably gave me the checks or the cash. The checks might have been made out direct to the plate manufacturers, but anyway, I handled it.

Senator WOLCOTT. That does not throw much light on my inquiry. I asked you how much he contributed.

Mr. ARNOLD. I could not give you the contribution in dollars and cents, because he would simply pay a bill, of which I had no record and kept no record.

Senator WOLCOTT. Can you not approximate the amount of his contributions in 1914—the amounts of his contributions?

Mr. BAILEY. All of his contributions, if he can.

Senator WOLCOTT. In 1914, I said.

Mr. BAILEY. And between that year and any time?

Mr. ARNOLD. Well, I expect the contributions that were received through him and his influence might approximate between \$1,000 and \$1,600 a month, during that year.

Senator WOLCOTT. Throughout the year?

Mr. ARNOLD. Throughout the year.

Senator WOLCOTT. That would be from \$12,000 to \$18,000 during the year?

Mr. ARNOLD. Something like that, I should say. But, then, I do not think that they did contribute with much regularity. Let me see, now, that is 1914. [After a pause.] They made some small contributions during 1915, I should say, to the extent of \$4,000 or \$5,000.

Senator WOLCOTT. For the year?

Mr. ARNOLD. During the year; I expect so. In 1916—let me get that. I think he contributed about \$3,000; and since then, nothing.

Senator OVERMAN. Do you know what his purpose was in making these large contributions?

Mr. ARNOLD. Well, the purpose, as indicated there, was he paid for some plate matter, which he considered, I presume, of interest to his people.

Senator NELSON. To the brewers.

Mr. ARNOLD. Out in Texas.

Senator OVERMAN. The brewers, you mean?

Mr. ARNOLD. Yes.

Senator WOLCOTT. In 1914—

Mr. ARNOLD. In 1914.

Senator WOLCOTT (continuing). Was the fight on in Texas during that year between what we call the "wet" and the "dry" people?

Mr. ARNOLD. There is always a fight; never any other way.

Senator WOLCOTT. In that year particularly was there an election on, involving that matter?

Mr. ARNOLD. Yes, always in an election.

Mr. BAILEY. Let the Senator understand that was the year in which we were nominating our State officers, although there was no prohibition amendment to be voted on; but it was the year during which we nominated our State officers and all our county officers.

Senator WOLCOTT. And I suppose the "wet" people were anxious to elect a "wet" assessor, and the "dry" people were anxious to elect a "dry" assessor.

Mr. ARNOLD. They would not elect a man unless they agreed on that question. It was the dominant issue in the campaign.

Senator OVERMAN. There was a contest there between the whisky men and the dry men in the election for governor, too, was there not?

Mr. ARNOLD. That was in 1914; yes.

Mr. BAILEY. I would not say the whisky men, because there were a great number of earnest anti-Prohibitionists in Texas that never had a dollar's interest in any whisky establishment in the world, and did not drink a drop. We have wet "drys" and dry "wets" down here, as you have other places.

Senator OVERMAN. That was the intent. While, as Senator Bailey says, the men on either side took no interest in prohibition, the interest was intense between the dry and the wet men on this question of governor?

Mr. BAILEY. Yes.

Mr. ARNOLD. Yes, sir. I may add to the Senator's inquiry there, along the line of Mr. Autry, that I saw him, I believe it was some 30 years ago. They are out of business now, both State and nationally. And him I thought that he ought to continue—he had large prop-

erty interests in Texas and that he ought to continue—the contributions, at least \$1,000 a month; that we were trying to get going again; and he rather indicated that he would try; although their brewery, I believe, is now a cheese manufactory, or something of that sort.

Mr. BAILEY. He is a rich man, is he not?

Mr. ARNOLD. He has made a great deal of money, yes.

Maj. HUMES. Are you acquainted with Percy Andreae of Chicago? Did you ever meet Andreae or Hartley?

Mr. ARNOLD. No, sir.

Maj. HUMES. You know Mr. Pabst of Milwaukee, do you not?

Mr. ARNOLD. I have met him.

Maj. HUMES. Did he ever give you any money?

Mr. ARNOLD. No, sir.

Maj. HUMES. Did he not give you \$1,000?

Mr. ARNOLD. Mr. Pabst?

Maj. HUMES. Yes.

Mr. ARNOLD. No, sir; he never gave me \$1,000, not that I recall.

Maj. HUMES. Just think a minute.

Mr. ARNOLD. I tried to get money from everybody I could, for that matter.

Maj. HUMES. Did not Mr. Pabst give you \$1,000?

Mr. ARNOLD. No; I do not think so.

Maj. HUMES. And have you not so stated?

Mr. ARNOLD. That Mr. Pabst gave me \$1,000?

Maj. HUMES. Yes.

Mr. ARNOLD. I do not think I have. If I had, I would have included it in the Lansberg, or through Autry. He never gave me any money, I think, as I recall.

Maj. HUMES. You would include it in the Lansberg contribution, if he gave you \$1,000?

Mr. ARNOLD. Yes.

Maj. HUMES. If you did not know that Lansberg was in the brewery business, why would you include any contribution from Pabst with Lansberg's?

Mr. ARNOLD. I told you that I knew he was in the brewery business.

Maj. HUMES. You said that you suspected it.

Mr. ARNOLD. I did.

Maj. HUMES. You did not know anything about it, you suspected it, you said.

Mr. ARNOLD. I did; I do not know it yet.

Maj. HUMES. Then why would any contribution of Pabst's be included by you with the Lansberg contribution?

Mr. ARNOLD. Because Lansberg was interested in that side of it.

Maj. HUMES. He was connected with the brewers' association, was he not?

Mr. ARNOLD. Mr. Lansberg?

Maj. HUMES. Actively, yes?

Mr. ARNOLD. I do not know. I took it, when I first met him, he was a lawyer representing them, or at least some concern interested.

Maj. HUMES. He is treasurer?

Mr. ARNOLD. Treasurer? Well, I do not know that. But I do not think Pabst ever paid me any money. That is not the fact, if I ever made that statement, as I now see.

Maj. HUMES. Did you not make that statement to the United States attorney in Dallas, Tex.?

Mr. ARNOLD. That Pabst gave me any money?

Maj. HUMES. Yes.

Mr. ARNOLD. I do not recall it, if I did.

Senator WOLCOTT. How much did you receive from Lansberg, altogether, approximately?

Mr. ARNOLD. I suppose between \$10,000 and \$15,000.

Senator WOLCOTT. In what year?

Mr. ARNOLD. That was in 1916.

Senator WOLCOTT. Between what sums did you say?

Mr. ARNOLD. Between \$10,000 and \$15,000. I tried to get them to contribute more than that toward the movement of the publicity of the plate matter and our general work, and they started out, I think, to contribute \$15,000.

Senator WOLCOTT. You employed the plural pronoun "they."

Mr. ARNOLD. I am speaking of Lansberg, because, particularly, I take it from the major, I suppose you are asking about brewers, and I am recognizing him as representing that interest.

Senator WOLCOTT. You think that that \$10,000 contributed by Lansberg in 1915 was contributed in what form? Did he pay for plates like Mr. Autry, or did he contribute money directly to you?

Mr. ARNOLD. It was contributed toward the work, and the publicity work, largely.

Senator WOLCOTT. I know, but Mr. Autry contributed for that purpose largely, too; but Mr. Autry to a large extent paid the plate bills. Now, I want to know whether Mr. Lansberg's contribution of \$10,000 or \$15,000 was toward paying for plate manufacturing?

Mr. ARNOLD. It was for that purpose.

Senator WOLCOTT. Did he pay the bills direct, as Mr. Autry did?

Mr. ARNOLD. No, he gave me, as I recall it, either checks or cash.

Senator WOLCOTT. And you paid it?

Mr. ARNOLD. I paid it. I paid it out.

Senator WOLCOTT. But this was to pay for plates?

Mr. ARNOLD. Yes.

Senator WOLCOTT. That is, the Lansberg contribution?

Mr. ARNOLD. Yes.

Senator WOLCOTT. Who wrote the material that went into those plates for which these men were paying? Who prepared the material that went into those plates?

Mr. ARNOLD. We have the plates there [indicating]. The Senator just called attention to the plates.

Senator WOLCOTT. There are not many of them here, and some of those here are duplicates. I gathered that from my examination of them. But that does not throw any light on my question. Who prepared the material?

Mr. ARNOLD. I am just saying that Mr. Taft made two speeches, and we copied it—an anti-prohibition speech.

Senator WOLCOTT. Who determined that Mr. Taft's article should be selected? Who gathered together the material that these men's contributions were to pay for?

Mr. ARNOLD. I prepared the prohibition and the antiprohibition matters. I prepared those without consulting any of the parties in

interest; Senator Sheppard's and Mr. Taft's; and I think Senator Underwood was one of them, probably.

Senator WOLCOTT. Did this man Lansberg, or Autry, or anyone else, pay their pay, at various times O. K. stuff that was to go into the paper?

Mr. ARNOLD. They did not.

Senator OVERMAN. Were you trying to collect these amounts from men for and against the principle of prohibition?

Mr. ARNOLD. The plan as outlined is just as laid out. It did not work. They did not like it.

Senator OVERMAN. Who did not like it?

Mr. ARNOLD. Mr. Lansberg. The publicity was to move, and I wanted to move that publicity, in all States west of the Mississippi. That is what I tried to do, and I wanted them to contribute to it. It did go in a few States. They did not think much of it.

Senator WOLCOTT. What was their objection to it?

Mr. ARNOLD. It did not concur with their ideas of publicity. I wanted to show that the brewing interests used so much corn and so much barley, and something like that, and paid so much taxes. This is the kind of publicity they were getting out in all their literature. This was simply a discussion, a dignified discussion, by Mr. Taft, Mr. Underwood, or some one of that character, and apparently they did not think that was a line to put out. I gathered that. I criticized it considerably.

Senator WOLCOTT. They did not think that was much of a contribution to the kind of publicity that the brewers were interested in.

Mr. ARNOLD. They did not regard it that way; no, sir.

Senator WOLCOTT. I gather, then, that their contribution of money was for the purpose of obtaining brewery publicity?

Mr. ARNOLD. Yes, that might have been an influence that acted on them in that, to try out the service, to see what they would get.

Senator WOLCOTT. Were they not, as a matter of fact, contributing this money for the purpose of getting publicity which, in their opinion, would aid them in the publicity campaign which they, as brewers, were interested in?

Mr. ARNOLD. That might have been an influence, but not the only one.

Senator WOLCOTT. Now, as a matter of fact, Mr. Autry ceased large contributions after 1914. If he was interested in the general object of this organization, and was contributing money for it, and that was his controlling motive, and he is a rich man, and he can well afford to contribute, as you say, why did he not continue large contributions?

Mr. ARNOLD. You will find those irregularities coming in all contributions, from all men.

Senator WOLCOTT. This is no question of irregularity. It is a question of a man's attitude and interest in propaganda. Did you not have an understanding with them? Let us be frank about the matter.

Mr. ARNOLD. Yes.

Senator WOLCOTT. Did you not have an understanding with them that they were contributing money, and did you not understand that they were contributing the money to get the brewers' argument before the public?

Mr. ARNOLD. I presented to them the suggestion, there, that a frank expression of all sides of that subject would be much to their interests, by able men, capable of handling the subject, and that they agreed to. That was one of the motives.

Senator WOLCOTT. Then, in so far as their contributions went, your organization was submitting itself to the purpose that it would operate in the way that you determined wise, to an extent at least, in behalf of the brewery interests?

Mr. ARNOLD. Not exclusively so.

Senator WOLCOTT. In connection with the publicity?

Mr. ARNOLD. No; not exclusively so.

Senator WOLCOTT. I said "to an extent, at least."

Mr. ARNOLD. Well, it might be in their minds; yes.

Senator WOLCOTT. In your mind too?

Mr. ARNOLD. It might be in their minds. I think it is in the interest of prohibition and of antiprohibition to contribute toward that sort of a service, and I tried to get all sides to contribute, and I would present the arguments to the Prohibitionists that I would present to the other people, to move both plates, that what you want is a capable discussion by able men, and let the people decide.

Maj. HUMES. How can the same material be of benefit to both sides of any question?

Mr. ARNOLD. I am not saying both sides. As I understand it, Senator Sheppard is an authority on prohibition, and I used him as such, and those plates moved as they are. I took it also that Mr. Taft is an authority on antiprohibition, and I would use the same argument in talking to an "anti" for money that I would in talking to a "pro."

Senator OVERMAN. Did any of the "pros" contribute?

Mr. ARNOLD. Men that probably were prohibitionists contributed, but not any prohibition organizations contributed.

Mr. BAILEY. There is no special interest represented by prohibition, because there is no property interest connected with that question.

Mr. ARNOLD. The same applies to woman's suffrage. I solicited from the "antis" and from the woman's suffrage organizations, and in fact was going down the line with those economic issues, trying to assemble both sides into the service, to move the service and keep it going, and I solicited most all sides of all economic subjects.

Senator OVERMAN. You had this matter, on every question you were interested in, put into plate matter, did you not?

Mr. ARNOLD. Any subject the public was interested in.

Senator OVERMAN. They would be interested in the matters you were interested in?

Mr. ARNOLD. Yes, sir.

Senator OVERMAN. Therefore this brewery matter was put in there by the brewers for their own special interests, through you?

Mr. ARNOLD. Well, I would not say it that way, any more than the matter on prohibition was put in there by the Prohibitionists through me. I could hardly say either matter was correct. I undertook to get the Republican and Democratic national campaign committees to have in mind to take plates side by side.

Senator OVERMAN. If the Democrats had contributed any money, that would have been in the interest of the Democratic Party?

Mr. ARNOLD. In that particular case it would probably have been in the interest of the Democratic Party.

Senator OVERMAN. And the brewers—in this case—what these contributed was to get their interests before the public?

Mr. ARNOLD. They had that in mind, no doubt.

Maj. HUMES. Was not that your argument to them?

Mr. ARNOLD. My argument was that the public should have both sides of this subject.

Maj. HUMES. And, for a consideration, you would present to the public their side of it?

Mr. ARNOLD. No consideration to it. They would pay an amount equal to the plates.

Maj. HUMES. In return for their contribution, you would present their side of it to the public?

Mr. ARNOLD. No consideration about it. They would pay an amount equal to moving the plates. That is about the way it was run.

Senator WOLCOTT. All the money they paid did not go for the payment for plates, did it?

Mr. ARNOLD. All the money that the brewers paid?

Senator WOLCOTT. Yes.

Mr. ARNOLD. No. I intended to pay that. They said they did not care for it to move.

Senator WOLCOTT. I have been wondering all the time where the folks who were running the organization got any compensation. The only thing we have had mentioned here, so far as I can recall, is that people contributed money to pay for plates. Now, they contributed money for something in addition to that, to wit, payment of you people who were conducting the thing. Can you tell me how much of this \$12,000 to \$15,000 contributed by Mr. Autry in 1914 went for plates?

Mr. ARNOLD. I expect most of it. I should say 75 per cent of the plates and pamphlets; yes, more than that.

Maj. HUMES. You did send out pamphlets in addition to the matter?

Mr. ARNOLD. The plate matter was put in pamphlet form.

Maj. HUMES. And this particular matter was put in pamphlet form?

Mr. ARNOLD. What particular matter?

Maj. HUMES. This plate matter in behalf of the brewers.

Mr. ARNOLD. No; there was no prohibition discussion there at that time.

Maj. HUMES. What was this plate matter that you say was sent out at the expense of practically the total amount of their contribution? Of what did it consist?

Mr. ARNOLD. What was the subject matter?

Maj. HUMES. Yes.

Mr. ARNOLD. This discussion there was, I think, on the preacher being in politics.

Maj. HUMES. The preachers in politics?

Mr. ARNOLD. Yes.

Maj. HUMES. That was the kind of propaganda that you plated for them at that time?

Mr. BAILEY. You printed Jerry Black's letter on that, did you not?

Mr. ARNOLD. Mr. Radford gave those things out to the daily papers—his views on political preachers at that time. He gave out statements to the daily papers during the campaign, and Mr. Autry thought that it might be of interest to the anti-prohibition side of it if he would plate it and send it out to the daily papers.

Maj. HUMES. Then, Peter Radford was opposing the methods of the prohibitionists; at least, he was opposing their methods and the activity of the preachers in behalf of prohibition?

Mr. ARNOLD. No; he was opposing only the influence of the preachers in politics. He opposed it after the election, before the election, and still opposes it.

Maj. HUMES. Yes; and that was used to further the cause of the brewers who were contributing this fifteen thousand or more dollars.

Mr. ARNOLD. I would consider their interest the least. From the preachers in politics I think society suffers perhaps as much as anybody else.

Maj. HUMES. Was not an attack on woman's suffrage one of the things that developed as a result of this brewers' contribution?

Mr. ARNOLD. No; I do not recall any attack.

Maj. HUMES. I find in these few sheets that you have produced several attacks on woman's suffrage. Was not that one of the objects that the brewers were interested in?

Mr. ARNOLD. I do not think so. I think the brewers are pretty much divided on that subject, as I gather from the press reports.

Maj. HUMES. Where were they out for suffrage?

Mr. ARNOLD. I do not know. I gather that they were pretty well divided on it. The women would sometimes make the town wet, as they did in California, I know.

Maj. HUMES. I thought that you were familiar with the propaganda that the brewers' association were supporting, and I was interested to know where they had supported woman's suffrage.

Mr. ARNOLD. I do not know.

Senator NELSON. Were the preachers of the State as a class opposed to the liquor interests, and in favor of prohibition?

Mr. ARNOLD. They were in favor of prohibition; yes.

Senator NELSON. All of the preachers themselves?

Mr. ARNOLD. Most all of them. All in politics were.

Senator NELSON. Did you not think that your man—what is his name?

Mr. ARNOLD. Mr. Peter Radford.

Senator NELSON (continuing). Do you not think, then, that the effect of his warning the people of the State against that kind of thing was used in the interest of the liquor interests?

Mr. ARNOLD. They might have been the beneficiaries.

Mr. BAILEY. If the Senator will permit me to say, the first constitution of Texas provided that no minister of the Gospel should be eligible to election to the legislature; that they must serve the Lord, not the State.

Mr. ARNOLD. Mr. Radford quoted that.

Senator NELSON. That related to holding office.

Mr. ARNOLD. Well, in politics.

Senator NELSON. If all of the preachers, or nearly all of them, your State were in favor of prohibition, and were advocating that in their sermons and on the platform, and your man there, who at the time seems to have been the leading spirit of your organization—

Mr. ARNOLD. He was.

Senator NELSON (continuing). Was not the plate against the preachers a pretty strong argument in favor of the wet interests, as opposed to prohibition?

Mr. ARNOLD. Those things would be on the anti side.

Senator NELSON. Was not that an insidious way of attacking prohibition interests?

Mr. ARNOLD. Well, no; I should say that he did it before the election, and did it afterwards, and always stood for that.

Senator WOLCOTT. That was a form of antiprohibition argument that made its appearance elsewhere. I know it did in Delaware. We had a "wet" and "dry" campaign in Delaware, and one of the favorite methods used was to fire into the preachers.

Mr. BAILEY. I want to say that the best paper Jerry Black ever contributed to public discussion was a denunciation of political preachers in Pennsylvania, long before this question ever arose. That paper is printed in the same volume with Jerry Black's famous defense of the Christian religion against Robert G. Ingersoll's attack.

Senator OVERMAN. One of the methods of the brewers has been this propaganda. We have in evidence these books and pamphlets, two or three of them, and that is one of their ways, attacking ministers of the Gospel. It is the most scandalous stuff I ever read. Have you it there?

Maj. HUMES. I do not think it is here now. It is packed away.

Mr. BAILEY. Of course to scandalize the ministry is indefensible, but to insist that the minister keep out of politics is a good democratic doctrine. There never was a good government in the world controlled by the clergy, and there never will be.

Senator OVERMAN. I agree with that.

Mr. BAILEY. Clerical government is an oppressive one in every country in the world.

Senator OVERMAN. I am not attacking the ministry.

Mr. BAILEY. Of course.

Maj. HUMES. Mr. Arnold, did you not also send out a great deal of plate matter pointing out the large income to the Government from the liquor business, and the increased burden that would be imposed upon the farmers as a result of prohibition?

Mr. ARNOLD. I do not recall that?

Senator OVERMAN. It was one of the arguments made up here in Congress.

Senator WOLCOTT. Did your organization ever in any manner come close to the public the brewer's contributions?

Mr. ARNOLD. Yes.

Senator WOLCOTT. At the time the publicity was going out, contemporaneous with the publication of it?

Mr. ARNOLD. With the publication of it?

Senator WOLCOTT. Yes.

Mr. ARNOLD. Well, I suppose it was. There was no occasion at that time. I suppose it was known, however.

Senator WOLCOTT. Why do you suppose it was known?

Mr. ARNOLD. It was known; put out that way. There was no effort made to conceal it. But no public statement was made simultaneously with the appearance of the article.

Senator WOLCOTT. Did the public know in 1914 that Mr. Autry had contributed this sum of money or anything like it, at the time these plates that he was paying for were going out to the public?

Mr. ARNOLD. Not at the time. Not as he sent them out, no.

Senator WOLCOTT. You make the assertion that the public knew that brewery money was paying for that plate matter.

Mr. ARNOLD. I do not know of any public statement that was made. We made no effort to conceal it and none to advertise it. If the question was asked we answered it.

Senator WOLCOTT. Was it asked?

Mr. ARNOLD. Sometimes; yes. These appeared first in the papers by Peter Radford. They were not copyrighted. They were later plated and sent out, as I have indicated.

Senator WOLCOTT. We are getting branched off to another shoot of this thing. Did Mr. Radford originally write the articles and publish them in the daily papers?

Mr. ARNOLD. Yes; the articles were prepared in the office by him.

Senator WOLCOTT. After the Autry money had been received?

Mr. ARNOLD. After? He had nothing whatever to do with it and knew nothing about it. His connection with it began and ended when he gave the articles to the daily press. Now, they were not copyrighted, and they were printed later on and paid for as I have indicated.

Senator WOLCOTT. Well, now, you stated the question was asked as to who contributed the money, or whether money was contributed at the time Mr. Radford published his articles originally in the daily press. Did I understand you correctly on that or not?

Mr. ARNOLD. Well, you say "contribution." There is no contribution, if a man wants to pay. The plates were not copyrighted.

Senator WOLCOTT. There were no plates, then. I understand you, Mr. Radford wrote articles to the daily press, and at that time there was no plate matter?

Mr. ARNOLD. That is right.

Senator WOLCOTT. Was the question asked in connection with Mr. Radford's articles, by people in Texas, whether or not brewery money was paying for those articles?

Mr. ARNOLD. No; the question came up in the payment of plates. The plates cost money. Somebody paid for them.

Senator WOLCOTT. And then the question was asked as to who was paying for those plates?

Mr. ARNOLD. Yes.

Senator WOLCOTT. And you say that question was answered by you people by informing the public that Mr. Autry had paid for the plates?

Mr. ARNOLD. It was answered by me in the affirmative whenever it was asked.

Maj. HUMES. Was it ever asked?

Mr. ARNOLD. Yes.

Senator WOLCOTT. Can you cite to us a specific instance, disclosing the circumstances, when such question was asked and you answered it and disclosed that Autry was paying for the plates?

Mr. ARNOLD. Well, it was very frequently asked; I could not give any particular instance of any man that asked it.

Senator OVERMAN. Did any newspaper ask it?

Mr. ARNOLD. Well, I do not recall any newspaper making inquiries about it. I do not recall any now. It was not considered anyway an antiprohibition argument. It was an argument of preachers begun six or eight months before in Texas.

Maj. HUMES. Mr. Arnold, at the time these articles were written by Mr. Radford he was on the pay roll of your organization at a rate of at least \$125 a month?

Mr. ARNOLD. Yes; he was on our pay roll.

Maj. HUMES. He was drawing pay while he was making these speeches which were afterwards put in plate matter?

Mr. ARNOLD. He was on our pay roll; yes.

Maj. HUMES. Now, I call your attention to this article from your plate entitled "The Patriotic Dollar—War Revenue Tax of \$105,000,000 Levied—Beer Bears Brunt of Burden." After giving the figures the article proceeds as follows:

Congress has decreed that the brewer, the banker, and the investor should shoulder the musket and march to the front; that milady that would add beauty must first tip Uncle Sam and a dollar that seeks pleasure must salute the flag; that Pleasure and Profit—the twin evils of many wars—fight the Nation's battles and by an ingeniously arranged schedule of tax. Congress has shifted the war budget from the shoulders of Necessity to those of Choice and Gain, touching in its various ramifications almost every line of business.

All hail the dollar that bleeds for its country; that bares its breast to the fortunes of war and risks its life to preserve the stability and integrity of the Nation's credit.

And further down:

All honor to the dollar that answers the call to arms and, when the battle is over, bandages the wounds of stricken soldiers, lays the wreaths upon the graves of fallen heroes and cares for the widows and orphans.

All honor to the industries that bend their backs under the burden of a tax to lift the weight from the shoulders of the poor and build a bulwark around the Nation's credit.

All honor to those who contribute to the necessities and administer the comfort of the boys who are marching; cool the fevers of the afflicted soldiers and kneel with the cross beside dying heroes.

A dollar may fight its competitor in business, industries may struggle for supremacy in trade and occupations may view each other with envy or suspicion, but when the bugle calls they bury strife and rally around the flag. Companions and friends, mess mates and chums all fighting for one flag, one cause and one country.

Now, is not that one of the articles in which the brewers were interested?

Mr. BAILEY. I would pay to circulate that myself.

Mr. ARNOLD. Do you object to that?

Maj. HUMES. I do not object to the sentiment. That is not the question. It is a question as to whether that was put out as propaganda.

Mr. ARNOLD. It was not.

Maj. HUMES. Is not that the same material that the United States Brewers' Association and their allied interests were using for propaganda purposes at that time?

Mr. ARNOLD. I do not know anything about that. They had nothing to do with the article.

Senator NELSON. Who got up that article?

Mr. ARNOLD. I expect that we prepared it in the office. I either wrote it, or the young lady who is here.

Maj. HUMES. Mr. Radford was also opposing woman's suffrage?

Mr. ARNOLD. He was opposed to woman's suffrage; yes.

Maj. HUMES. And you carried a good many articles on that in this plate matter?

Mr. ARNOLD. No; we carried very few and did not carry them very far.

Maj. HUMES. Did you carry them until Mr. Lansberg withdrew his contributions?

Mr. ARNOLD. I did not. His contributions had nothing to do with it.

Maj. HUMES. Mr. Chairman, it strikes me that the information elicited by Senator Wolcott shows this fund to be such a mixed fund for propaganda of various kind that it is absolutely impossible to segregate it all, and that the committee, in order to make an investigation, ought to properly inquire as to all of the contributions which made up the mixed fund.

Senator WOLCOTT. Have you got the plate matter here that was sent out in 1914?

Mr. ARNOLD. No, I have not.

Senator WOLCOTT. This plate matter that Maj. Humes has been reading from was sent out in what year?

Mr. ARNOLD. That was in 1914.

Mr. BAILEY. This last was after we had declared war.

Maj. HUMES. That would have been after the revenue bill was passed.

Mr. ARNOLD. Probably so. That would have been sometime in 1917.

Senator WOLCOTT. Then we have not before us complete copies of all of the plate matter that Mr. Autry paid for?

Mr. ARNOLD. No.

Senator WOLCOTT. So that we are unable to judge whether or not that plate matter was really beer propaganda. That may have been published at the time when you were getting only \$3,000 to \$5,000 a year from these brewery interests.

Mr. ARNOLD. It had no relation to that. I can not recall it, but it had no relation or connection with it. It was published at the time when the revenue bill passed as an item of news, and was published as an item of news only, and would not have gone out had it not been an item of news.

Senator WOLCOTT. Have you in your files prints from the plates published, we will say, in 1914?

Mr. ARNOLD. No, I have not. I think I have given you everything I have. We probably turned them over to your people there, as we indicated. When they asked for these things, we gave them to them. We gave up our last record, sometimes. We have a bound record of

those things, and they were turned in to the court, to whoever asked for them, and then we were through. I think some of them are in there; I am sure. I think you have the information right before you here. This paper is not a complete list of all I gave you.

Senator WOLCOTT. I thought everything was there except duplicates. That was my purpose.

Mr. ARNOLD. I know I saw some of those you were talking about. I know I saw it in here somewhere. [After further search.] Here it is. There is the article you are talking about.

Senator WOLCOTT. I was not talking about any particular article.

Mr. ARNOLD. I mean the line of articles. That was reproduced and sent out in some instances nationally.

Senator WOLCOTT. This is 1914.

Mr. ARNOLD. You have it.

Senator WOLCOTT. But there were, of course, many plates in addition to this one in that year.

Mr. ARNOLD. Yes. I am trying to find you some others. This, however, you may say, is the one which you are discussing.

Senator WOLCOTT. No, I was simply asking if we had before us the prints from the plates in 1914, the year when Mr. Autry made his rather substantial contribution, because I would like to see them and try to form some opinion of my own as to whether they might be called brewery propaganda.

Mr. ARNOLD. Yes. I wish we had them here. We do not seem to have them. But that is the one that would nearly classify them. The others apply to local political matters.

Senator WOLCOTT. My purpose was to see whether, in my opinion, Mr. Autry got any substantial benefit along the line of his desire from the expenditure of his money.

Mr. ARNOLD. That is as nearly anti-prohibition—if that is what you would call it—as anything that ever went out written by him.

Senator NELSON. Mr. Arnold, you and Mr. Radford originally started your organization in the interest of the farmers, did you not?

Mr. ARNOLD. It was in the farming interests, yes; always so.

Senator NELSON. For the farmer organizations?

Mr. ARNOLD. Yes.

Senator NELSON. Then, as you moved along, you took in other interests. You took in the liquor question, pro and con, you took in woman suffrage, and you also took in the Adamson law, and other questions, did you not, in your operations?

Mr. ARNOLD. Yes.

Senator NELSON. And you collected funds from these various interests, did you not?

Mr. ARNOLD. Yes.

Senator NELSON. Or received funds?

Mr. ARNOLD. At the beginning we undertook to send the plates out as a general contribution to our publicity matters. We were not able to finance ourselves, quite, that way, and then we undertook to discuss these economic questions, and then entered into the industrial side of it. I have a page here, "Special Brick and Tile Edition."

Senator NELSON. How much were the yearly expenses of your organization, aside from what you paid for plate matter and printing, as near as you can get at it, on an average?

Mr. ARNOLD. It ran between \$2,000 and \$3,000 a month.

Senator NELSON. During all the time? For how long a time? Up to what time?

Mr. ARNOLD. All the time it ran, up to the last year, probably.

Senator NELSON. How much of that was salaries?

Mr. ARNOLD. It would probably run a couple of thousand dollars a month.

Senator NELSON. In salaries?

Mr. ARNOLD. I should say it would be a couple of thousand dollars a month in salaries.

Senator NELSON. Radford got \$125 a month?

Mr. ARNOLD. Yes.

Senator NELSON. What did you get?

Mr. ARNOLD. Five hundred dollars.

Senator NELSON. Five hundred dollars a month?

Mr. ARNOLD. Yes.

Senator NELSON. What did this lady who is present get?

Mr. ARNOLD. Two hundred and fifty dollars.

Senator NELSON. What other high-paid officials did you have?

Mr. ARNOLD. None.

Senator NELSON. So that all this time you have been getting \$500 a month out of this, have you?

Mr. ARNOLD. No.

Senator WOLCOTT. That only foots up to about \$1,000.

Mr. ARNOLD. I was just answering his question.

Senator WOLCOTT. Your salary roll was \$2,000 a month, you say?

Mr. ARNOLD. Sometimes more than that. When our plates were running, and we were getting the papers into the office, it would take clerks to check them up and send them out. When the plate was not running, which was not all the time or half the time, then that service would be taken off.

Senator NELSON. How many years have you been receiving \$500 a month?

Mr. ARNOLD. Almost since we began, up to the last three years. That was 1908 when we started, I believe.

Senator NELSON. What time did you close?

Mr. ARNOLD. We are still going.

Senator NELSON. Still going on?

Mr. ARNOLD. Yes.

Senator NELSON. And you are still drawing \$500 a month?

Mr. ARNOLD. No. I am saying that for the last year or year and a half we probably could not pay that.

Senator NELSON. How near have you come to it?

Mr. ARNOLD. I have not come anywhere near it.

Senator NELSON. Have you gotten half of it?

Mr. ARNOLD. No, not during the last year. We have not been doing anything.

Senator NELSON. Prior to that you got your \$500 a month?

Mr. ARNOLD. Yes.

Senator WOLCOTT. What years has Mr. Swenson made his contributions for buying and paying for the plates?

Mr. ARNOLD. I should say in 1915; the latter part of 1914 and 1915, when we started the national plates. The Texas plates were never paid for by him, except as included in the national plates.

Senator WOLCOTT. And he has been making his contribution annually since then?

Mr. ARNOLD. Yes, very nearly so. He has been making some contributions every year, I am sure.

Senator WOLCOTT. In 1916 did he make his contribution of \$2,000 a month, as I think you said?

Mr. ARNOLD. Yes; something like that. I could not answer the questions just definitely, because the contributions were irregular. I should say that it would come something near that; \$1,000 or \$2,000.

Senator WOLCOTT. And that was for paying for the plates?

Mr. ARNOLD. No; we had two funds there. One was for paying for the plates, and the other was for money that we might use in office and organization work.

Senator WOLCOTT. My memory may be wrong, but my recollection was you said he paid plate bills to the extent of about \$2,000 a month. That was aside from his contributions direct to the office. He paid plate bills to the extent of about \$2,500 a month. That is my recollection of your testimony. I may be in error. If so, correct me.

Mr. ARNOLD. He paid for about six months. Our plate bills were \$10,000 a month. Since that time they were so irregular and reduced in such a way, that it would be difficult to estimate them. I did not get very far. It probably would not amount to \$1,000 a month.

Senator WOLCOTT. I am speaking of the year 1916.

Mr. ARNOLD. No; he did not. We did not send out many plates in 1916.

Senator OVERMAN. What connection had Mr. Swenson with your organization?

Mr. ARNOLD. Nothing except a friendly one. He has large investments in Texas, and is concerned in that way. We got acquainted and connected and concerned with him.

Mr. BAILEY. He had no interest in any brewery there.

Senator OVERMAN. I know; but was any money contributed by Mr. Swenson for your organization?

Mr. ARNOLD. By him?

Senator OVERMAN. No; to him, for your organization.

Mr. ARNOLD. Yes. He received money there from anybody who could get it from.

Senator OVERMAN. Was he active in collecting money for your organization?

Mr. ARNOLD. He helped us considerably; yes.

Senator OVERMAN. You do not know how much, if anything, was contributed by breweries to him for your organization?

Mr. ARNOLD. I am sure he had no brewery connection. I am sure none.

Senator OVERMAN. Breweries did not contribute to him for your organization?

Mr. ARNOLD. I am sure they made no contributions to him.

Senator OVERMAN. Did they contribute to this "plate" money of this money he has been paying there?

Mr. ARNOLD. They never contributed anything to him.

Senator OVERMAN. How do you know?

Mr. ARNOLD. I am sure they did not. I make that statement; I am sure they did not.

Senator OVERMAN. Do you know who contributed to him?

Mr. ARNOLD. To him for the plates?

Senator OVERMAN. Yes.

Mr. ARNOLD. Yes; I might know some of them, but I understand that is not of interest.

Senator OVERMAN. I understand. I am not asking you for the names of contributors.

Mr. ARNOLD. Yes, I know some of them who contributed, because I would go to see them and talk to them.

Senator OVERMAN. He got contributions from organizations and individuals, did he?

Mr. ARNOLD. No, from corporations, I would say, and individuals. I do not think from any organization, in the sense we use the word, at least.

Senator OVERMAN. It was corporations and individuals?

Mr. ARNOLD. Yes.

Senator OVERMAN. Of your own knowledge you do not know whether the breweries contributed anything or not?

Mr. ARNOLD. I am sufficiently familiar with it to answer in the negative. I feel that way about it, but, as a matter of absolute fact, I probably would not know.

Senator OVERMAN. Do you know how much money, all told, he collected by contributions and otherwise for your organization?

Mr. ARNOLD. No, I could not say that.

Senator OVERMAN. He never told you?

Mr. ARNOLD. No, I do not know that he did.

Senator OVERMAN. Can you approximate how much money Mr. Swenson paid?

Mr. ARNOLD. He paid the six months I have indicated there. The plates ran us \$10,000 a month. He did not pay that much. I would say about \$50,000, and after that time it would run probably a thousand or two thousand dollars a month we would be able to get for plates, and for office use; sometimes more than that.

Senator OVERMAN. Did he contribute to your office expenses and overhead charges?

Mr. ARNOLD. Sometimes he did; yes, sir.

Senator OVERMAN. Out of his own money, or money he had collected from others?

Mr. ARNOLD. He was always a contributor himself, and had friends who could ask for money and get it.

Senator OVERMAN. So that the sum total of the amount he furnished was \$50,000 for plates, and \$2,000 a month for your organization?

Mr. ARNOLD. It would not exceed that; and probably would not come to that in every case. I do not think it would exceed that.

Senator OVERMAN. He was not treasurer of your organization?

Mr. ARNOLD. Oh, no. He just agreed to handle the fund there.

Senator OVERMAN. This money you deposited in this Fort Worth bank was a separate fund?

Mr. ARNOLD. He did not deposit any money there.

Senator OVERMAN. That was your own deposit?

Mr. ARNOLD. My own deposit, yes.

Senator OVERMAN. Do you remember how much money you deposited there?

Mr. ARNOLD. How much money I deposited?

Senator OVERMAN. Yes.

Senator NELSON. I suppose you mean for the organization?

Senator OVERMAN. I do not mean your personal money, of course, but money for the organization.

Mr. ARNOLD. I suppose our expenses ran \$2,000 or \$3,000 a month, not to exceed that.

Senator OVERMAN. Was that the money you received of Swenson which you deposited in that bank?

Mr. ARNOLD. Yes, it would be deposited in the Fort Worth bank if he sent it to me; or if anybody else sent it to me, it would be deposited there. That was to run the organization and of it. Mr. Radford used some of it in his work. Mr. Radford used some money in organization work among the farmers, separate and apart from the office fund. Our office expenses would run, in salaries and expenses and office expenses, and telegrams, and literature we would get out—

Senator OVERMAN. How did Mr. Radford get out among the farmers—in what way?

Mr. ARNOLD. He was interested in the organization. I have his receipts for money which he has paid since 1914, I believe it went into the treasury of the National Farmers' Union, for use in organization and such work as they might want. You can read the rest of it.

Senator OVERMAN. Just tell me the amount.

Mr. ARNOLD. The amount is \$6,500 for that year.

Senator OVERMAN. That is money who contributed?

Mr. ARNOLD. That is money he gave me, which he contributed to the organization for the Farmers' Union.

(Thereupon, at 1 o'clock p. m., the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met at 2.30 o'clock p. m., pursuant to the taking of the recess.

TESTIMONY OF MR. J. A. ARNOLD—Resumed.

Senator OVERMAN. You may go ahead, Maj. Humes.

This subcommittee has decided that, as to contributions made by corporations or representatives of corporations, the witness shall answer. He shall answer questions that may be asked by Maj. Humes as to money received from corporations or representatives of corporations. Those questions he will answer.

Mr. BAILEY. We have no objection to that.

Maj. HUMES. Mr. Arnold, did you receive, at any time during your activities, commencing say in 1914, any contributions from corporations or from any representative of a corporation?

Mr. ARNOLD. I did not. Mr. Swenson probably handled some of that, in the plate matter that went through the plate houses.

Maj. HUMES. How do you know that none of this money came from corporation—any of this money that you received?

Mr. ARNOLD. It was not solicited from corporations. They were told that we did not want corporation money.

Maj. HUMES. Did you receive any money from the presidents of any railroads?

Mr. ARNOLD. Did I,

Maj. HUMES. Yes.

Mr. ARNOLD. No. That money would go through Mr. Swenson, whatever was received from the railroads. That would go through his hands.

Maj. HUMES. Did you, yourself, receive any contributions or arrange for the making of any contributions through Mr. Swenson—

Mr. ARNOLD. Yes, sir.

Maj. HUMES. From the presidents of any railroads?

Mr. ARNOLD. Yes.

Maj. HUMES. Who were they?

Mr. BAILEY. Now, if the chairman please, obviously a contribution by a railroad is neither a pro-German nor a pro-brewery contribution.

Senator OVERMAN. Well, if it is not, Senator, it does not hurt anybody.

Mr. BAILEY. Mr. Chairman, these presidents of these railroad corporations I do not think live in Texas, and probably I owe them to—to borrow Hamlet's expression—"subscription," but am I mistaken in thinking that if any man's name is brought into this inquiry as contributing to an organization that is charged with subserviency to the breweries it carries with it an intimation that he may have some connection with German propaganda?

Senator OVERMAN. If it does not, it is not competent, and we have no business going into it. And yet I do not know. If the witness answers yes, then—

Mr. BAILEY. Well, suppose he answers yes. Now, that is all that you want to know, is it not?

Let me say this. Much of this testimony is about contributions made in 1914, before there was any war with Germany. It should not relate to that?

Senator OVERMAN. No.

Mr. BAILEY. A contribution by a president of a railroad might have been inspired by the hope in the breast of the railroad president that the publicity bureau would counsel and advise a milder course toward the railroads, but that is not what you are inquiring about.

Senator OVERMAN. No, that has nothing to do with it.

Mr. BAILEY. And the contributions by the presidents of the railroads have nothing to do with this. I do not think that any American citizen ought to have his name brought in, when you remember the nature of this inquiry, unless—

Senator OVERMAN. We have ruled with you on that, Senator.

Mr. BAILEY. As to the corporations, all right; I do not object to that.

Senator OVERMAN. Of course a man who does a thing himself through somebody else, nevertheless does it.

Mr. BAILEY. I am going to suggest to you, Mr. Arnold, that the committee can take care of the balance of the United States, and

you and I will take care of Texas. You need not give the name of any citizen of Texas, but if they want the names of citizens of the other states, I do not care; I will leave that with you gentlemen of the committee.

Senator OVERMAN. Just answer the question. What was the question?

(The reporter read as follows:)

Maj. HUMES. Did you, yourself, receive any contributions or arrange for making of any contributions through Mr. Swenson—

Mr. ARNOLD. Yes, sir.

Maj. HUMES. From the presidents of any railroads?

Mr. ARNOLD. Yes.

Maj. HUMES. Who were they?

Mr. ARNOLD. It was received from the railroads. I do not know that I could say that the president signed it. I do not know.

Maj. HUMES. Oh! You received it from the railroads, did you?

Mr. ARNOLD. Yes; it was a corporation—

Maj. HUMES. Just a minute ago you said you did not receive money from any corporation.

Mr. ARNOLD. I know, but I am talking about Mr. Swenson. That is what I have in mind. I have not. He received some money from railroads to pay for those plates—I mentioned that this morning—from corporations to pay for those plates.

Maj. HUMES. He received that at your solicitation, you said?

Mr. ARNOLD. He was authorized to do it; yes.

Maj. HUMES. Yes.

Mr. ARNOLD. I did not do it. You asked if I did.

Maj. HUMES. Then I will enlarge my question. Were there railroads, or the presidents of railroads, from whom contributions were received either by you directly or through Mr. Swenson.

Mr. ARNOLD. There were. Let me see. There were about 10 railroads that contributed, to the fund I was speaking of this morning, some \$40,000 or \$50,000, and among them were the Santa Fe, the Southern Pacific, the Union Pacific, the M. K. & T. I do not know that I could relate—

Senator WOLCOTT. What was that last one that you mentioned?

Mr. ARNOLD. The M. K. & T.—the Missouri, Kansas and Texas.

Senator OVERMAN. That is what they call the "Katy"?

Mr. ARNOLD. Yes; that is what they call the "Katy." The railroads of the Southwest generally; I think the Illinois Central and a few other roads; I believe, the Norfolk & Western. I am only repeating this from the printed statement which was made, of all the contributions, by Mr. Swenson when he received them. I distributed 200 copies or more of them, and I think one was turned over to the people.

Maj. HUMES. When and where?

Mr. ARNOLD. Through the grand jury. I have none now. I am repeating from memory, the best I can. I may have put in a railroad that did not contribute, and I may have left out some that did, but that list, the report which Mr. Swenson made there of receipts, was printed, and I used it in soliciting money as indicating that they were interested in the business.

Maj. HUMES. Then the list that was printed was a list of those that you had solicited, rather than a list of those that subscribed?

Mr. ARNOLD. Everybody was solicited. We did not miss anybody in solicitation, in any way.

Senator OVERMAN. I understand that you made a general solicitation of individuals and corporations and everybody else?

Mr. ARNOLD. That is right, yes. We solicited them personally, and wrote them, and sent a copy of that pamphlet that we had here yesterday. There is no doubt about that; and it was done on that basis.

Maj. HUMES. Did you not state to the United States Attorney in Dallas, Tex., that you could not remember the names of any companies or any corporations that had contributed to this fund—any of the railroads, I mean?

Mr. ARNOLD. No, I do not know that I did.

Maj. HUMES. And after having your recollection refreshed, did you not state that the only two that you could think of at that time were the Santa Fe and the Illinois Central?

Mr. ARNOLD. No, I do not think so. I do not know what particular point he was inquiring into at that time.

Maj. HUMES. How many railroads do you suppose there were that contributed, in all?

Mr. ARNOLD. They contributed from one thousand to five thousand dollars, the total fund, perhaps, equaling \$40,000 at least, I should say. About \$40,000 went into the fund and was turned over by Mr. Swenson to the plate house.

Maj. HUMES. When were those contributions made?

Mr. BAILEY. Now, if the Chairman please, I do not know, you gentlemen may have all the time in the world, and I have no doubt that you are ready to devote as much of it as may be necessary to these matters; but my time is limited, and I happen to know that the witnesses have not all the time in the world, and I am going to ask that this inquiry about the railroads be terminated, and that we proceed to the real subject of inquiry here.

Senator OVERMAN. I want to restrict this matter as much as possible. Maj. Humes, as you know. I do not know where it is going to lead, but I do not want it to lead away from the main subjects of investigation.

Mr. BAILEY. Obviously, Mr. Chairman, the question as to the railroads' contributions can have no relevancy to the brewery propaganda or to pro-German propaganda.

Senator OVERMAN. I do not know, of course, but we have ruled—

Mr. BAILEY. If the railroads are connected with the breweries, all right; or if they can show that the breweries were connected with these contributions, all right. But surely we are not to be kept here hour after hour inquiring about what the railroads did and what the railroad presidents did. We are ready to concede that the railroad presidents contributed. There is no concealment about it. Now, why the inquiry?

If Maj. Humes will say that this is intended to lay the predicate for showing that these people were connected either with the breweries or with German propaganda, I withdraw the objection.

Maj. HUMES. We have already elicited enough to establish a partnership in this fund that went to Mr. Arnold, either directly or indirectly. Of the partners that have been discovered there were at least three breweries.

Mr. BAILEY. And one from Pittsburgh, I think, by the name of Gordon, or something of that kind?

Maj. HUMES. Well, that is one that has not been mentioned. We have not gotten to that one.

Mr. BAILEY. I thought you had asked about that. I was taken about that, then.

Maj. HUMES. No. We have only got three up to date. There have been others interested in that fund. The purpose of this investigation is to discover, among other things, the political activities of the brewers and the expenditure of brewery money in politics; if it should develop in this examination that this joint fund, made up by these breweries and by the railroads and by others that I propose to ask about later, was used in order to dominate and influence the 1916 election in this country, it certainly is competent for the purpose of this investigation; and I propose to undertake to follow up by proof to show that, in so far as this fund was contributed in, at least it was used in order to control or influence the election of President of the United States.

Mr. BAILEY. If there is any contest about the election of the President of the United States, the Senate can conduct the inquiry.

Maj. HUMES. And if this fund is a partnership fund of the railroads and the breweries, and possibly others, certainly this investigation can not be made without going into all of the ramifications of the activities of the people who were expending this partnership fund; and it seems to me that it is clearly within the purview of this investigation, and I think that to make a thorough investigation of the matters under consideration by the committee it is necessary to go into the transactions of this man and the organizations with which he was connected in expending this partnership fund of certain special interests.

Mr. BAILEY. Now, Mr. Chairman, there is a new element presented in this investigation, that we are trying to see what happened in the presidential election of 1916. Undoubtedly if there is a contest in regard to the presidential election pending before the Congress and the Senate has any function to perform, it can conduct an inquiry to determine how that result was accomplished, and in view of the fact that the Vice President was elected at the same time. Undoubtedly they would have the right to inquire into the method by which he was elected; but there is no question of that kind pending here or elsewhere. The election is over. The ballots were counted. The result was announced, and the men chosen, or some of them at least, are in the successful performance of the functions to which they were assigned by that election. That is a closed chapter. It is where the Senate would get the power to call people here from all quarters of the United States to thresh over straw that is threshed more than I understand.

I think, when the Senate was proposing this prohibition amendment, maybe it might have inquired into the activities of these people but that has been submitted. The function of the Senate has been performed. I am advised by some very intelligent and active newspaper men that the thirty-sixth State has this day ratified. So that is out. And just to come here and talk about a partnership between a fund existed to which people contributed, one man not knowing:

another man contributed to it, possibly—you can not constitute a partnership in that way.

All I care about it is to have an end to this endless thing.

We say the railroads contributed. We say their money was used in this publicity work. Why, then, proceed to inquire about who gave and what they gave? It is not one of the subjects into which you are charged to inquire, Mr. Chairman.

There is no pretext that the railroads were helping conduct a brewery propaganda. There is no pretext that the railroads were helping to conduct a pro-German propaganda. It is admitted—asserted, even—that the railroads did contribute to them. Then why prove it, just to encumber the record, to take up the time of the committee?

Senator OVERMAN (reading):

When the traffic, doomed though it is, undertakes and seeks by these secret methods to control party nominations, party machinery, whole political parties, and thereby control the government of State and Nation, it is time the people know the truth.

The organized liquor traffic of the country is a vicious interest because it has been unpatriotic, because it has been pro-German in its sympathies and its conduct. Around these great brewery organizations owned by rich men, almost all of them of German birth and sympathy, at least before we entered the war, have grown up the societies, all the organizations of this country intended to keep young German immigrants from becoming real American citizens.

We know that the breweries have been trying to control politics. But whether this fund has been used to control German citizens I do not know.

Mr. BAILEY. If the chairman please, of course I would be the last man to deny the Federal Government the power through its appropriate agencies to protect itself. I have always believed that neither the House nor the Senate possessed a general inquisitorial power; and the Supreme Court has held that.

Senator OVERMAN. Has held what?

Mr. BAILEY. That you do not possess any general inquisitorial powers; that you have only the right to investigate those subjects especially committed to you. For instance, I have no doubt you would have the right to summon anybody from any part of the Republic, if you had a contested election case pending; or if there was an impeachment proceeding pending in the Senate, you would have a right to examine men on oath and bring them there and compel them to testify. If there was any question about the conduct of Senators which might result in an expulsion, I have no doubt that you would have a right to inquire into that, or anything that affected the proceedings of the Senate. But where does the Senate of the United States obtain the right to inquire about the elections in the States. You are the last man in the Republic to admit that—unless it would be me. And where did they get the right to inquire into the nominations?

So far as it has been suggested here, there never was one dollar of this fund used in any Congressional election in Texas. Undoubtedly this particular organization has been involved somewhat in the local politics, in the election of the governor and other subordinate State officials; but there is not a suggestion that it was ever involved in a

single Congressional contest, and I am sure it was not. But what power has the Senate to inquire into that?

We are willing to give you any information we have relating to brewery propaganda, or a pro-German propaganda, and that is what you ought to have, sir, I submit. And if you have confined the inquiry to that, we could have been through before this; because there is no doubt about what has been done there. There is no attempt to conceal it. There has been a readiness here to tell you all they know about that. But let us have an end of it.

Senator WOLCOTT. If we adopt the theory of Maj. Humes's suggestion, namely that inasmuch as the breweries contributed to a fund it is pertinent to show who else contributed to it, it is not logical to stop and say that we must inquire only as to corporations.

Mr. BAILEY. No.

Senator WOLCOTT. If that theory is sound, we ought also to inquire into individual contributions.

Senator OVERMAN. Yes.

Mr. BAILEY. That follows, of course.

Senator OVERMAN. What is your idea, Senator Nelson?

Senator NELSON. What was the question?

(The reporter repeated the question as follows:)

Maj. HUMES. How many railroads do you suppose there were that contributed in all?

Mr. ARNOLD. They contributed from \$1,000 to \$5,000, the total fund, perhaps equalling \$40,000 at least, I should say. About \$40,000 went into the fund, which was turned over by Mr. Swenson to the plate house.

Maj. HUMES. When were those contributions made?

Senator OVERMAN. Just answer that question, and when the next question is asked we will take it up.

Mr. ARNOLD. They were made in 1915, probably along about February. The plates you have before you, the stuff they went out and paid for. There is nothing in them relating to breweries.

Senator OVERMAN. Maj. Humes, it seems from my reading of the resolution that while we have broadened the question considerably we are limited to German propaganda and brewery activities. It is as nearly as possible, to confine your questions to matters arising out of those things—German propaganda and brewery activities.

Maj. HUMES. Mr. Chairman, unfortunately I realize that the committee and the chairman are not as familiar with the facts in this matter as I am, and it is therefore necessary for you to see the position in which I am placed in an effort to confine this inquiry.

The activities that I had proposed to inquire into were the activities of this man and the organization with which he is connected along political lines, on the theory that it is absolutely impossible when a pool is made up of various contributions, to segregate the fund, to identify the particular remittance or the particular description that defrays the expense of any given kind of activity.

The charge that was made in the resolution that was the basis of this investigation was that the brewers and the brewery interests were secretly carrying on their political activities by propaganda and otherwise in various parts of the country.

Now, if they are carrying on political activity, certainly the alliance which they make—whether or not that alliance be through an organization that they are using in common with other concerns—is

instrument that they are using, whether they are simply devoting their attention to some one thing periodically, or to some one common organization and financing it entirely themselves.

Senator WOLCOTT. Let me interrupt you, Major. I think what you say is true. The alliance they make in carrying on their propaganda is pertinent to this inquiry. But that is not the real question presented, as I can see. The question is whether or not the contributions of the different interests to a fund which is used to advance different interests constitutes an alliance in the interest of only one of those intermediaries, to wit, the breweries.

Maj. HUMES. I am alleging there was a common interest in an election, that was jointly financed by those who felt the same interest.

Senator WOLCOTT. The joint financing may have been due to the fact that the brewers who contributed to it were interested in shaping results favorable to them. The railroads, we can very well conceive, were interested in securing results favorable to the railroads, and were not at all interested in the breweries. Their contribution might have been to a common fund, to be sure, but entirely disassociated from any brewery activity. That is possible.

Maj. HUMES. Yes; that may be possible.

Senator WOLCOTT. Is there anything that you have in the way of evidence that is going to tend to build up an alliance between the breweries and the railroads and what not, other than the mere fact that they contributed money to this organization with which this Mr. Arnold was identified?

Maj. HUMES. Nothing except the joint interest in organizing this organization and the expenditure of the funds for a political purpose; and that certainly is a political activity—a political activity of the brewers. And it is just as important, as I view it, for this committee to discover the partnership into which the breweries entered.

Senator WOLCOTT. There we are, right at this point. Does this constitute evidence that amounts to the disclosure of a partnership? That is the thing that is troubling me.

Mr. BAILEY. If that can be shown, we make no objection.

Maj. HUMES. I can not conceive how different organizations can contribute to the same fund without knowing what the fund is being used for and knowing who is joining in the fund.

Senator WOLCOTT. It is hardly appropriate, it seems to me, in the light of the evidence we have so far, to call it a common fund. It is a contribution to the same concern, but that does not necessarily mean that it is a common fund which is to be used for common purposes and in which all are interested. That fund might be designed to be used by one contributor for one purpose, by another contributor for another, and still by another for another purpose. All we are interested in is the brewery objects, and it seems to me that something more than contributions to Mr. Arnold is necessary to establish this partnership or alliance.

Maj. HUMES. I think the committee would soon discover, in even the meager plate matter we have, the evidence of the alliance of these interests—right in the plate matter that was sent out by this organization.

Senator WOLCOTT. It discloses, necessarily, the bringing together of all these financial resources by Mr. Arnold?

Senator OVERMAN. Suppose, for example, this plate matter should have some matter in one column against the Adamson law, and in another column something in favor of the brewery activities, would that be such a common fund as to bring out whether the railroad contributed for the purpose of defeating the Adamson law?

Maj. HUMES. This witness has said that he does not know who of the contributors were interested in the breweries proposition. He said he suspected Mr. Autry was in that business. He knew that Mr. Faust was in that business. His first statement was that he suspected that Mr. Lansberg was; that as to all the other contributors he did not know whether they were interested in the brewery business or not. Now how can we determine the extent of the brewery participation in this fund, when he does not know who the brewery interests are, except by a process of elimination? By finding out who the various contributors are, we would find out, for instance, how much the railroads put in the fund and eliminate them, and then go into the various classes of contributors until we find out what the brewery activities in this enterprise were. If he would produce a list of his contributors, so that we could segregate them and determine which was brewery and which was railroad and which was something else, we might be able to determine what this brewery participation was; but the witness not knowing, we certainly cannot determine what their participation was in the fund.

Mr. BAILEY. Mr. Chairman, I will illustrate how utterly absurd it is to talk about a partnership here. For instance, I happen to know one citizen of Texas who does not own any farm. He contributed. He paid for the plate matter on silos, which this organization distributed to all the farmers of Texas, so far as they could reach them.

Now how absurd it would be to say that this man, whose only interest in farming was the welfare of the farmer and the State—because he had no selfish or personal interest—shall be arraigned and his name written in this record as in partnership with the breweries and the German propagandists, when the whole extent of his connection was that he gave his own money to disseminate among the farmers of Texas useful information about the silo!

And yet if you are going on that theory of partnership, he must be brought in too. There was not a semblance of a partnership.

This enterprise, if you call it such, was conducted as a kind of farmers' library, a forum of discussion for all kinds of questions those that were concerned in the farmer's occupation, and questions which concerned him as a citizen. They were all presented to men of the most widely dissimilar interests and the most widely dissimilar views contributed to it. You find a preacher that gave something. Maybe he gave only a small amount, because generally ministers of the gospel, serving the Lord, have little time to serve themselves, and do not have much to give, and yet it would be a spectacle to write the minister of the gospel down by the side of the brewer as contributing to the common partnership fund that was used in the interest of the brewers. That is the kind of a situation that confronts us.

We say again, for the eleventh or twelfth or thirteenth time, to make it odd, that as to anything that concerns the brewers or their campaign or their propaganda, or anything that concerns the

propaganda, we open the doors wide and invite you to inquire, ready to give you any information we possess, but we do not believe time ought to be taken up with these other matters, and especially with a charge against these men.

Senator OVERMAN. Ask the question and let us see where we are getting to.

Senator WOLCOTT. Did you not testify this morning, Mr. Arnold, that you knew of no contributions from brewery sources, direct or indirect, other than the three that you mentioned?

Mr. ARNOLD. That is right.

Senator WOLCOTT. Did you tell us whether or not you could give us a list of all the contributors to this organization?

Mr. ARNOLD. Could I give you a list of all the contributors to the organization?

Senator WOLCOTT. Yes.

Mr. ARNOLD. No; I could not.

Senator WOLCOTT. You testified you had none?

Mr. ARNOLD. No; I could not do so.

Senator WOLCOTT. You could not make one up from memory?

Mr. ARNOLD. No; I could not do it.

Senator WOLCOTT. I suppose you could make one up that would cover a good many?

Mr. ARNOLD. Probably so, something like I have in the case of the railroads; but a good many of them would be guessed at.

Senator OVERMAN. Ask the question, and I will rule on it when it comes.

Maj. HUMES. Did I understand you to say that all these railroad contributions were made in the early part of 1915? Was that the time you fixed?

Mr. ARNOLD. Yes; I think it is 1915.

Maj. HUMES. I think you gave contributions after that time.

Mr. ARNOLD. I think there are some contributions made after that time, but that is the general fund I am speaking of there, which went out in the plate matter, where we sent plates out for six months.

Maj. HUMES. That is the six months' period that you referred to in discussing Mr. Swenson?

Mr. ARNOLD. I have covered the six months' period, yes.

Senator OVERMAN. Did the railroads contribute any money except for this plate matter?

Mr. ARNOLD. They contributed for nothing except plate matter, which went out. They paid for nothing that had any relation to the breweries or any prohibition or any other matters. Many of the articles they wrote themselves, as you will find it plated there.

Maj. HUMES. You have a complete set of those plates?

Mr. ARNOLD. I think we turned over to your district attorney a complete set of them. I do not know what has become of them. You will find, though, that railroad presidents have articles in there.

Maj. HUMES. What other corporations? You mentioned the railroads. What other corporations contributed either as corporations or through presidents and officers?

Mr. ARNOLD. I do not know of any.

Maj. HUMES. Any of the meat packers?

Mr. ARNOLD. No. I do not think so, during that period.

Maj. HUMES. Well, at any period?

Mr. ARNOLD. Oh, they contributed, but not recently.

Maj. HUMES. The Armour and Swift companies both contributed, did they not?

Mr. ARNOLD. They did to the Texas Business Men's Association and I think they contributed a thousand dollars later on towards the work. I do not recall just when. I know that they have not for the last three or four years. I could not get any money out of them.

Maj. HUMES. When was it that the brewers that you have referred to made their contributions?

Mr. ARNOLD. In 1914. I think I gave that this morning. In 1915 and up till 1916.

Maj. HUMES. From 1914 to 1916?

Mr. ARNOLD. Yes.

Senator WOLCOTT. Is that inclusive, would you say?

Mr. ARNOLD. Yes, that is inclusive; not every month, but from time to time.

Maj. HUMES. How much did you say Mr. Lansberg contributed, \$15 000, was it?

Mr. ARNOLD. It was between ten and fifteen thousand. I do not recall the exact amount.

Maj. HUMES. How much did Mr. Faust contribute, or the St. Louis people?

Mr. ARNOLD. That was back in 1912, I think, or 1911; somewhere in there. Contributed a thousand dollars. I believe it was 1911 or 1912.

Maj. HUMES. And how much did Mr. Autry contribute?

Mr. ARNOLD. I suppose it would run eighteen or twenty thousand dollars; somewhere around there.

Maj. HUMES. Mr. Autry was the president of the Texas Brewers' Association, was he not?

Mr. ARNOLD. I never heard of the Texas Brewers' Association. I don't think there is one.

Senator NELSON. Something was said this morning about Mr. Pabst contributing a thousand dollars, but you were not very clear; you did not give a positive answer.

Mr. ARNOLD. I do not think so. I do not recall where he ever gave me anything.

Senator NELSON. It was asked whether he had not done it directly or indirectly.

Mr. ARNOLD. No.

Senator NELSON. Through Mr. Lansing—is that the name?

Maj. HUMES. Mr. Lansberg.

Senator NELSON. Mr. Lansberg. Did he not contribute \$15 000 through Mr. Lansberg?

Mr. ARNOLD. He probably did. I do not recall that. I do not know.

Maj. HUMES. Did you not state to the United States attorney in Texas, and did you not testify down there, that Pabst had made a contribution to you?

Mr. ARNOLD. I do not recall it if I did. That was nearer the time of it than now, and that might be the case, but at this moment I do not recall and can not think of any money ever having been received from Mr. Pabst.

Senator NELSON. Did you say anything about the Anheuser-Busch Co. or any of its officials contributing?

Mr. ARNOLD. I said that Mr. Faust contributed \$1,000 in 1911.

Senator NELSON. He belonged to that company?

Mr. ARNOLD. He belonged to that company. He was a member of that firm, and I presume it was their money. I always took it that way.

Senator OVERMAN. Did any owners of saloons contribute?

Mr. ARNOLD. Any of the saloons?

Senator OVERMAN. Yes.

Mr. ARNOLD. I do not think so. The organization had a \$5 fund for membership, and while there might have been a few of them in here, if there was I do not recall it. It would not amount to anything.

Maj. HUMES. Mr. Lansberg's contribution was made in 1916?

Mr. ARNOLD. I think so.

Maj. HUMES. Who arranged for that contribution from Mr. Lansberg?

Mr. ARNOLD. I arranged for it, I suppose.

Maj. HUMES. Where and when and under what circumstances?

Mr. ARNOLD. Well, I do not just recall the date. It was some time in 1916.

Maj. HUMES. And what was that money to be used for?

Mr. ARNOLD. To be used for publicity. I proposed to move in west of the Mississippi the plates that you have seen there on prohibition and antiprohibition and on the middle ground.

Maj. HUMES. Was it put out in the shape of plate matter?

Mr. ARNOLD. Not all of it. As indicated this morning, the plate matter they thought of no concern.

Maj. HUMES. What method did you adopt?

Mr. ARNOLD. What method?

Maj. HUMES. Yes.

Mr. ARNOLD. Well, they did not want the plates, and I did not want to go if they did not, and so I stopped it. My recollection is that they did not pay the full amount.

Senator OVERMAN. You stated this morning about sending out some pamphlets.

Mr. ARNOLD. That was in 1914. But in 1916 the only one that we sent out was the pamphlet on the Adamson law. That was sent out by the State Presidents' Association, giving the copy of Mr. Pope's telegram to President Wilson and to Judge Lovett, telling him that if the railroads could stand that increase it was all right, but that if they expected to shift it to the farmers, the farmers would fight an increase in the freight rates. That was the basis of that pamphlet.

Maj. HUMES. I call your attention to telegrams sent by you to Mr. Swenson during the year 1916, and ask you to look them over and see if you remember them. [Handing telegrams to the witness.]

Where there is a translation of the code, that is my first interpretation of the code. Pay no attention to the code translation.

Mr. ARNOLD. I can not say about these code messages unless I sit down to the code book. I am taking the translations as meaning approximately what you have here.

Maj. HUMES. Just put a check mark in the margin and we verify that decoding.

Mr. ARNOLD. What do you want me to do?

Maj. HUMES. I want you simply to look over and see if you identify these telegrams. Do not pay any attention to my translations. This is a matter to be worked out afterwards.

Mr. ARNOLD. That is what is going into the record.

Maj. HUMES. Well, we will have to see the translation later.

Mr. ARNOLD. I think these are all right. I don't want to get into something that I do not know anything about.

Maj. HUMES. They are approximately correct.

Mr. ARNOLD. I can give you blanket authority for such as you want. They look like they are all right.

Maj. HUMES. You recognize these telegrams as having been sent by you to Mr. Swenson?

Mr. ARNOLD. I think they are. I should say so.

Maj. HUMES. Some of them are signed with the word "Orphanism." In the code who was "Orphanism"?

Mr. ARNOLD. I can not say. I do not recall the code.

Maj. HUMES. Was not that your code name?

Mr. ARNOLD. I do not know. I expect I had one.

Maj. HUMES. Was not "Orphanism" your code name?

Mr. ARNOLD. I could not tell you anything about a code. I can not remember that.

Maj. HUMES. You say that these are telegrams sent to you by Mr. Swenson?

Mr. ARNOLD. You can make that known.

Senator OVERMAN. You do not know whether you had a code?

Mr. ARNOLD. We changed our code name every 30 days. I do not recall it now. That is two years ago.

Senator OVERMAN. I want to ask you, If you had that word, you certainly would remember whether you used that name in the code. Would you not?

Mr. ARNOLD. No; I would not, for two years back. I probably held this word. It was for a month or two weeks, and I would not want under oath to identify that as being used. Where my name is signed it is all right.

Senator OVERMAN. You do not know whether you would have had a code name or not?

Mr. ARNOLD. Yes.

Senator OVERMAN. You would?

Mr. ARNOLD. Yes, I would have a code name.

Senator OVERMAN. Do you not know what your code name was?

Mr. ARNOLD. Not any particular name.

Senator OVERMAN. Any time, anywhere?

Mr. ARNOLD. I do not know that I could.

Senator OVERMAN. Can you not remember when you used any code name at all?

Mr. ARNOLD. I can not remember the name. I should say that no name was coded.

Maj. HUMES. The telegrams to which the word "Orphanism" is signed are telegrams that you recognize as having been sent from your office?

Mr. ARNOLD. Well, I do not know. Those particular telegrams, I might. I presume that those telegrams were sent from my office.

Maj. HUMES. Yes. Now there are some pages out of this code. What was the code name of President Wilson?

Mr. ARNOLD. I could not tell that.

Maj. HUMES. Was "Outcast" the code word that you used for President Wilson?

Mr. ARNOLD. I could not say.

Senator OVERMAN. Do you know what the code name was for Washington?

Mr. ARNOLD. No, I do not know that it was coded. I should not think so.

Maj. HUMES. Was not "Overman" the code word for Washington?

Mr. ARNOLD. I could not tell you. The towns were coded, but I could not give you that sort of information. It is too far back.

Maj. HUMES. Under date of July 1, 1916, you sent this telegram to Mr. Swenson:

As I understand it the out-of-State publicity already given covers a good portion of the restricted funds. Have devoted exclusive attention to Texas matters for the past few months and must continue during the present month. The amount requested is absolutely necessary to take care of present situation.

What did that relate to, what kind of publicity, and what were the funds that you requested at that time?

Mr. ARNOLD. I have not the least idea. I was always requesting funds. That was a daily occurrence, for one purpose or another.

Maj. HUMES. You always knew how much in funds Mr. Swenson had, did you not?

Mr. ARNOLD. No. I did not know what he could give, did not know what he had; did not know what he could get. He always did what he could to get money.

Maj. HUMES. Most of the money he raised from his own independent efforts rather than from subscriptions you solicited and asked him for?

Mr. ARNOLD. Yes, he used his influence to get money.

Maj. HUMES. You do not remember what that relates to?

Mr. ARNOLD. No, I could not tell you that.

Mr. BAILEY. Would you ask the witness whether any of the money ever received for Mr. Swenson was used in the brewery propaganda, and if he says "Yes" let us go into it, and if he says "No" let that dispose of it. The colonel has 25 or 30 telegrams. It will take all the evening to go over them.

Senator OVERMAN. It will not take long. Let it go on.

Senator BAILEY. All right.

Maj. HUMES. On July 17, you wired Swenson:

Please authorize plate expense of twenty-five hundred dollars to H. H. Fish, secretary, Western Newspaper Union, Omaha, Nebraska. This will cancel authority asked for in my letter the fifteenth.

What was that plate matter for?

Mr. ARNOLD. What is the date of that?

Maj. HUMES. July 17, 1916.

Mr. ARNOLD. July 17, 1916. I do not know.

Maj. HUMES. Do you remember whether you got the money or not, or got the authority?

Mr. ARNOLD. No; I do not recall that, I do not know why it is small an amount as that would be used in plates. I do not recall it.

Maj. HUMES. That was an unusually small amount to require was it?

Mr. ARNOLD. Not for plates. You could not get anywhere with that money on plates, no.

Maj. HUMES. On July 31, you wired Mr. Swenson:

We have secured five thousand dollars of the fund for the special agricultural work and subscription list goes forward to you to-night. If I can, service will come to New York.

Who was on that subscription list, and what was the nature of the work?

Mr. ARNOLD. How was that?

Maj. HUMES (reading):

We have secured five thousand dollars of the fund for special agricultural work and subscription list goes forward to you to-night.

Mr. ARNOLD. Is that a code message?

Maj. HUMES. No, sir. I say it is not a code message. If there is some code word in there, I do not know it. It makes good sense without.

Mr. ARNOLD. I never sent a subscription list of any kind in my life that I know of. I can not identify that message in my own mind.

Maj. HUMES. Do you remember what the special agricultural work was?

Mr. ARNOLD. No; I do not know that.

Maj. HUMES. Have you got his answer to that telegram?

Mr. ARNOLD. No. That might give us the whole thing.

Maj. HUMES. Yes; I tried to get it, and have not succeeded up to this time.

Mr. ARNOLD. Those messages are unintelligible, just that one of the situation. Without referring to letters or referring to what might be enlightening at the time, without referring to the character of the work, it would be difficult to identify them and give intelligent information as I would like.

Maj. HUMES. On August 2, you wired Mr. Swenson: "Will be in New York Monday to meet Mr. Swenson." Do you remember that trip to New York?

Mr. ARNOLD. No. I went to New York very frequently, and I usually met Mr. Swenson.

Maj. HUMES. What particular sort of propaganda or public work was under consideration at that conference?

Mr. ARNOLD. What date?

Maj. HUMES. August 2, 1916.

Mr. ARNOLD. I should say it related to the Adamson law. That would be my guess.

Maj. HUMES. In relation to the Adamson law? At the same time the brewers were making contributions to you, at that time.

Mr. ARNOLD. Not for that purpose.

Mr. BAILEY. I want permission to ask one question of the witness in order to base an objection.

Mr. ARNOLD, did you ever confer with Mr. Swenson at any time in any place under any circumstances, with respect to any brewery campaign or brewery propaganda?

Mr. ARNOLD. I never did.

Mr. BAILEY. Did you ever confer with Mr. Swenson at any time at any place or under any circumstances with regard to any pro-German propaganda?

Mr. ARNOLD. I never did, or with anybody else.

Mr. BAILEY. Did Mr. Swenson ever contribute one dollar to your organization or to you, personally, to be used in any brewery campaign or pro-German propaganda?

Mr. ARNOLD. He did not.

Mr. BAILEY. Then, Mr. Chairman, plainly, I object to any testimony about telegrams that passed between Mr. Arnold and Mr. Swenson.

Senator OVERMAN. The witness says not, but he may be able to contradict him. I do not know.

Mr. BAILEY. He may be able to.

Senator OVERMAN. Those telegrams might do it.

Mr. BAILEY. Mr. Chairman——

Senator OVERMAN. You do not object to that?

Mr. BAILEY. I am going to object, yes, and I am going to instruct the witness not to answer any more questions about that.

Senator OVERMAN. Ask the question, Maj. Humes, and let him object.

Mr. BAILEY. Yes.

Maj. HUMES. On August 19, 1916, the following telegram was sent to Mr. Swenson, and this is a code message. I am going to read it as I have decoded it, and then you can look at it and see whether my decoding is correct. [Reading:]

Pope leaving here to-night for Oklahoma. Will be ready to facilitate the work there when authority will be given for five thousand dollars. I will be in Houston Friday, but office can get me. Orphanism.

Now, I think that is decoded correctly. If there is any doubt about it, we have as much of the code as you furnished, and we can verify it.

Mr. ARNOLD. I presume it is correct.

Maj. HUMES. You are not questioning the decoding of it?

Mr. ARNOLD. No, I presume it is correct. The only thing I object to is that I probably did not get the money. That is the only thing I object to in it.

Mr. BAILEY. Answer that. I want that answered.

Mr. ARNOLD. His work was connected with the presidency of the Texas Farmers' Union, which was opposed to the Adamson Law; and it probably had to do with that, if there is any transaction there.

Maj. HUMES. Yes; it was to finance Mr. Pope's efforts against the Adamson law?

Mr. ARNOLD. There was no money spent in Oklahoma or anywhere else, for that matter of the Adamson law, by us.

Maj. HUMES. What was the \$5,000 used for?

Mr. ARNOLD. It was used, and I do not know whether I got it. I do not always get money when I ask for it. I wish I could.

Maj. HUMES. You usually got it when you asked for it, did you not?

Mr. ARNOLD. No, I did not. I wish I could get it always when I ask for it. I would be happy if I could.

Maj. HUMES. On August 21 you wired Swenson as follows:

Your telegram. Will hold conference with parties here to-morrow. They want to lay plans for their future work. Think it imperative that you send a telegram of assurance that matters we discussed will be immediately carried out.

J. A. ARNOLD

Mr. BAILEY. Now, Mr. Arnold, decline to answer that question upon the ground that the telegram read does not relate in any way to the two questions which this committee is authorized and instructed to inquire about.

Mr. ARNOLD. That is my answer.

Senator OVERMAN. I did not hear the telegram. Let me read it. [After examining telegram.] Did this telegram have anything to do with brewery activities or German propaganda?

Mr. ARNOLD. Nothing whatever; not the remotest. No telegram that I ever sent, or no word that I ever said, or act that I ever had anything to do with pro-Germanism.

Senator OVERMAN. Or brewery activities?

Mr. ARNOLD. I have related here this morning the connection with the brewers. You can figure that as you like, but I am addressing myself now to the pro-German end of it.

Mr. BAILEY. And as to these telegrams, the brewers too.

Senator OVERMAN. You say this had no connection whatever with it?

Mr. ARNOLD. None whatever.

Senator OVERMAN. I think that covers the ground.

Maj. HUMES. The witness is to be the judge of that, the committee rules?

Senator OVERMAN. No; he says it had nothing to do with German propaganda or brewery activities.

Maj. HUMES. And do I understand that the committee sustains the objection?

Senator OVERMAN. Yes.

Mr. BAILEY. The committee sustains the objection; that is all.

Maj. HUMES. That is what I wanted to get. I did not quite get it from the Senator.

I have no more questions to ask of this witness, because, if the witness is to be the judge of that, and he has answered the question broadly, the same objection would apply to all of these telegrams and all of the matters that I want to inquire about.

Senator OVERMAN. He says there were some telegrams addressed to the brewers' activities. You can go into that.

Mr. BAILEY. Before you instruct him to do it, Mr. Chairman, I will remember that I asked the witness if he ever had any conversation with Mr. Swenson about brewery propaganda, and he said that he had not. Mr. Swenson will be before the committee and will corroborate that.

Mr. Chairman, I do not know that there is any reason why we should interrogate Mr. Arnold, but I would like for him to make the committee a little plainer than he has in his questions and answers, the objects and purposes of this organization, and I am going to ask him one or two questions about that, only.

Maj. HUMES. Mr. Chairman, I want to interpose an objection to that. I can see no reason, if the committee under this ruling is to

deprived of an opportunity to cross-examine this man as to the exact detailed nature of his transactions, why he should be permitted to make self-serving declarations, we not having an opportunity to go into the details of the transactions that he is trying to discuss.

Senator OVERMAN. I think he has stated pretty fully what the objects of the organization were.

Mr. BAILEY. Yes, I think so. Of course the colonel can cross-examine him about anything I questioned him about. But if the committee thinks that it is full enough, I am content.

Senator OVERMAN. Stand aside, Mr. Arnold.

Maj. HUMES. Just a minute, Mr. Arnold. Who is Adolph Boldt?

Mr. ARNOLD. Adolph Boldt?

Maj. HUMES. Yes.

Mr. ARNOLD. He is a man at Houston, Tex.—used to be there, and used to know a man named that; and he was secretary of the chamber of commerce some four years ago there.

Maj. HUMES. Did he have any brewery connection?

Mr. ARNOLD. Not that I ever heard of.

Mr. BAILEY. I want to interpose right there, Mr. Chairman. There is not a more reputable man in Texas than Adolph Boldt.

Mr. ARNOLD. That is the truth.

Mr. BAILEY. And I do not think his name should be bandied around here in this way. The name suggests a brewery, of course, and——

Maj. HUMES. Yes. There were a couple of telegrams about him here, and I did not know who he was.

Mr. BAILEY. He has no more interest in a brewery than the colonel has. But that is exactly what I did not want to see in this investigation.

Senator OVERMAN. We ruled that out.

Mr. BAILEY. Yes; I would like to have it stricken out.

Maj. HUMES. Did you ever send Mrs. Darden to Chicago to look after any brewery money, to see Mr. Lansberg.

Mr. ARNOLD. I think she went up there one time to see Mr. Lansberg.

Maj. HUMES. When was that?

Mr. ARNOLD. I do not recall it now—it was for some reason—I think I could not go myself—I believe she went up there to get some money, but she did not get it. Either she did not see him, or I do not know what it was, but she did not get the money.

Maj. HUMES. Did she see Mr. McDermott?

Mr. ARNOLD. I could not say. You had better ask her that; but I am sure she did not.

Maj. HUMES. That was in September, 1916, was it not?

Mr. ARNOLD. Probably so.

Maj. HUMES. When was it that you saw Mr. Lansberg in Chicago.

Mr. ARNOLD. I could not say; but it was along about that period; during that period. I could not say the date.

Maj. HUMES. You were there in September, 1916, too, to see him, were you not?

Mr. ARNOLD. Well, I probably was. I do not know.

Maj. HUMES. I call your attention to a telegram sent to you at Chicago by Mrs. Darden, dated September 20, 1916, addressed to

you at the Congress Hotel at Chicago. I will read it as I have decoded it. If my decoding is incorrect, you can correct me:

Pope and Radford want me to take my Ford and a boy and carry the circulars out in country districts. They think it important that they be in the country with them. Impossible to get cars so I am going to take them. No one knows me in the country. Besides I am only a chauffeur. Vance is a carpenter—

Decoded meaning lecturers—

around over country every day. Bacon—

Decoded should be Ham—

according to the data that I have—

What are you laughing at? Did you not call Mr. Ham “bacon” in your code?

Mr. ARNOLD. I do not know anything about that.

Maj. HUMES. Do you not know that you did?

Mr. ARNOLD. I was just laughing at the similarity of the word.

Maj. HUMES. Do you not know that that was a part of your code?

Mr. ARNOLD. I do not know anything about it.

Maj. HUMES (continuing to read):

Preparing to leave soon, and practically admits defeat. Jim does not write any more articles.

Now, what was referred to in that telegram? What was the purpose of that? What were the lecturers, denominated as carpenters, so active about.

Mr. ARNOLD. I do not know. I do not know of anything that was had on there at that time.

Maj. HUMES. You were in Chicago to see Mr. Lansberg, to get money from the breweries at that time, were you not?

Mr. ARNOLD. I have told you that the money I got from Mr. Lansberg was to be spent in publicity, and I have showed you the publicity that went out.

Senator OVERMAN. Have you any of those circulars that this was circulating?

Mr. ARNOLD. I have no idea what they are, Senator; probably some local matter of some sort.

Maj. HUMES. July 18 you went to Houston to see Mr. Autry. What did you go there to see him about?

Mr. ARNOLD. I do not know. I go to Houston ordinarily once a week.

Maj. HUMES. On the 17th you wired Mr. Autry that you would be there the next day.

Mr. ARNOLD. I usually go to see him when I am in Houston.

Maj. HUMES. What did you go to see him about?

Mr. ARNOLD. I could not tell you. Two years ago? I could not tell you what I went to see a man about then.

Maj. HUMES. Do you always go to see him about getting funds?

Mr. ARNOLD. Not every time, no.

Maj. HUMES. Was not that usually your mission?

Mr. ARNOLD. I try to get funds out of everybody I can. Anywhere I talked to I tried to get funds out of. That was my purpose.

Maj. HUMES. The money you got from Mr. Autry was for the purpose of carrying on brewery propaganda, was it not?

Mr. ARNOLD. I could not say that, no. I can not identify that particular message.

Maj. HUMES. What money you got from Mr. Autry was for that purpose?

Mr. ARNOLD. I do not know whether I got any on that message from Mr. Autry.

Maj. HUMES. I am not talking about that message.

Mr. ARNOLD. I thought you were.

Maj. HUMES. Did you not use all the money you got from Mr. Autry for the purpose of carrying on brewery propaganda?

Mr. ARNOLD. I did not.

Maj. HUMES. What else did you use it for?

Mr. ARNOLD. I used it for general work.

Maj. HUMES. What general work did you use it for—the breweries?

Mr. ARNOLD. I might pay rent with it.

Maj. HUMES. Were Mr. Autry and the breweries interested in this Adamson law fight?

Mr. ARNOLD. No.

Maj. HUMES. Were they interested in the eight hour day fight that you were carrying on?

Mr. ARNOLD. I do not think so.

Maj. HUMES. What else was there that you were doing that they were interested in? What were they contributing their money for?

Mr. ARNOLD. What do you call the propaganda? You asked me about that and——

Maj. HUMES. You are more familiar with propaganda than I am, probably.

Mr. ARNOLD. No; I confess I am not.

Maj. HUMES. In rendering service to them, then let us put it that way.

Mr. ARNOLD. I do not consider any service was rendered to the brewers when, in talking to them about publicity I stated that we must treat the prohibitionists the same way, and asked either or both to contribute.

Senator OVERMAN. Did you get any money from the prohibitionists.

Mr. ARNOLD. Not from any prohibitionist organization. I have probably had money from prohibitionists. No doubt I have.

Maj. HUMES. Did you know R. L. Soergel?

Mr. ARNOLD. I never heard of him.

Maj. HUMES. Do you know Mr. Wirmel—W. C. Wirmel, or H. C. Wirmel?

Mr. ARNOLD. I never heard of him.

Maj. HUMES. He spent a good deal of time in Texas about this time?

Mr. ARNOLD. I never heard of him.

Maj. HUMES. You were taking an active part in the prohibition fight in Texas in 1916, were you not?

Mr. ARNOLD. In 1916?

Maj. HUMES. Yes.

Mr. ARNOLD. I did not know there was a fight on in 1916.

Maj. HUMES. You did not? What were you after money up at Chicago for, then?

Mr. ARNOLD. In 1916?

Maj. HUMES. Yes.

Mr. ARNOLD. I am telling you that I sent those plates out. I have answered that question so many times.

Maj. HUMES. Why were you so interested that, on September 21, when you were in New York, Mrs. Darden sent you a telegram, "Prohibition defeated by over 1,000 majority"?

Mr. BAILEY. That could not have been in 1916, because they did not take any vote in 1916, Colonel.

Mr. ARNOLD. You probably got your code mixed up.

Maj. HUMES. It is not my code, Mr. Arnold.

Mr. BAILEY. There was no vote on it in 1916.

Maj. HUMES. The telegram speaks for itself.

Mr. BAILEY. Let me see the telegram. If this is correct, Mr. Chairman, it referred, probably, to a local contest.

Maj. HUMES. I assume that it was a local contest because of the majority that is mentioned in the telegram.

Mr. BAILEY. There were only about 3,000 or 4,000 when the State election of 1911 occurred, but there was no State election that year so that evidently referred to a local option contest.

Senator OVERMAN. Well, there was some interest shown by the lady and yourself as to the local contest?

Mr. ARNOLD. We all took an interest, Senator. We get interested in Texas on prohibition, either on one side or the other. You can be a citizen there without being interested.

Mr. BAILEY. I got a telegram myself the same night, and I do not suppose I engaged in any propaganda.

Maj. HUMES. You could probably tell us what county this was, Mr. Bailey?

Mr. BAILEY. Tarrant County, which is the county in which Fort Worth is located.

Maj. HUMES. On January 30, 1917, a telegram was sent from your office, Mr. Arnold, to Mr. Autry, "Call me on the phone. Have good news." What was the subject matter of that?

Mr. ARNOLD. I do not know. Some State had gone Democratic, I guess.

Maj. HUMES. Was that good news to you about that time?

Mr. ARNOLD. What was the date? January?

Maj. HUMES. January, 1917.

Mr. ARNOLD. January, 1917?

Maj. HUMES. Yes.

Mr. ARNOLD. I have no idea what it was. I could not tell you.

Maj. HUMES. If that was good news to you in January 1917, you had had a change of heart since the preceding November, had you not?

Mr. ARNOLD. If what was good news?

Maj. HUMES. The democratic victory, that you were talking about.

Mr. ARNOLD. I just gave you a phrase there, that is all.

Maj. HUMES. Your whole organization, and you, were fighting the reelection of President Wilson in every way you could during the campaign, were you not?

Mr. ARNOLD. No, sir.

Maj. HUMES. You were not?

Mr. ARNOLD. No. We were fighting the Adamson law.

Maj. HUMES. I think that answer ought to make competent a lot of this matter that the committee ruled out a little while ago, Mr. Chairman.

Mr. BAILEY. Now, Mr. Chairman, if we are going into the presidential election, generally, I want to know the authority to make that inquiry.

Senator OVERMAN. The witness has said that he was not fighting President Wilson, that he was for him, as I understand?

Mr. BAILEY. All right, does that make it competent to go into the question as to whom he supported or whom he opposed?

Senator OVERMAN. Only as to the credibility of the witness; that is all.

Mr. BAILEY. If the presidential election of 1916 was conducted on the prohibition question, or on a prohibition propaganda, then I doubt that whether this man supported the President or did not might be competent.

Senator OVERMAN. This does not go to the issue before us.

Mr. BAILEY. No.

Senator OVERMAN. It is a question of whether this witness said he was fighting for Wilson or—

Mr. BAILEY. Do you want to contradict the witness with a view of discrediting him?

Maj. HUMES. Here is the proposition, Mr. Chairman.

The committee has permitted this witness to assume the rôle of determining, in an omnibus fashion, the subject matters that we can inquire into, he alone to determine whether or not there is any brewery connection with the funds that he was disbursing. The whole ruling of the committee is based upon the good faith and credibility of this witness in his statement, and in a sweeping statement, an unheard-of method of establishing a fact, swearing to a negative, that a great volume of telegrams, a great amount of business, did not in any way involve the breweries or any brewery interests. He testified to a negative here; and then, based upon that answer, and upon the alleged establishment of a negative, the committee has ruled that it is incompetent and improper to conduct an examination of this witness for the purpose of inquiring into the exact nature of these transactions covered by that negative of his. He has made a statement here that, I say, is not warranted by the facts and by the records which I have.

Senator WOLCOTT. What statement do you mean, Maj. Humes?

Maj. HUMES. With reference to his attitude politically; and remember that the whole issue here is the political activities and the political views of that brewery outfit whose money was going into this man's hands; and to attack his credibility, now, I ask to introduce these telegrams to show that his statement just made has no substantial foundation in fact.

Senator WOLCOTT. Let me understand, major. The statement you refer to as having been made by the witness is the statement that he was not fighting President Wilson?

Maj. HUMES. Yes.

Senator WOLCOTT. And you desire to contradict that statement for the purpose of impeaching the witness?

Maj. HUMES. Yes.

Senator WOLCOTT. Now, as a matter of law, there is no doubt in my mind but what the impeachment of a witness can not take place in that way. If there is any well settled rule of evidence as to the impeachment of a witness, it is that you can not impeach a witness contradicting him upon an immaterial fact.

Maj. HUMES. But it is not immaterial, Senator.

Senator WOLCOTT. That is the meat of the question, whether it is material or immaterial. If it is material, then it is pertinent to ask him the question, not on the ground of impeaching him as a witness, but because it is material evidence.

Maj. HUMES. The material inquiry that this committee is making is as to the political activity of the brewers, and those that they dominated and those that they financed—their agents in the field, and you can separate the agents and the paid hirelings of the brewers from the brewers themselves. The question is: Have they been engaging in politics? Have they been secretly expending their funds for political purposes? That is the gist of this inquiry. Now, that is the gist of the inquiry, certainly we can inquire into the conduct of one of the hirelings who admits that at least three of the brewery elements contributed. There has been sufficient put into the record for the committee to realize that these funds he has admitted came from three separate classes of brewers, Lansberg, who is connected with the United States Brewers' Association and with the National Association of Commerce and Labor, from the St. Louis brewers, the Anheuser-Busch people, who were seceders from the United States Brewers' Association, and from Mr. Autry, who was the active spirit and the prime mover of its Texas Brewers' Association. He has admitted financial support from those three sources, and our records show just what those sources are and what their activities have been.

Now, is it possible that when this witness makes an assertion with reference to these political activities, that is not a material part of this inquiry?

Senator WOLCOTT. To be sure it is, if the political activities he engaged in were conducted by him in behalf of the brewers.

Maj. HUMES. Gentlemen, suppose for a moment that political corruption on my part was being inquired into, and it was charged that I had received a corruption fund of some kind from the brewers, and that it developed in that inquiry that I also had received money from other sources, could I interpose, as a defense for my action, that the fact that led me to do the things I did was the money that I got from the railroads, and not the money that I got from the brewers, and therefore you could not inquire into all of the activities in which I had engaged? That is just the situation that confronts this committee here, just exactly the situation; and would it be adjudged that by my swearing to a negative, that no, it was not the brewery money that prompted me to take this action, therefore your committee was estopped from making any inquiry into any of my activities?

Senator WOLCOTT. Major, the ground upon which you are urging this evidence now, is not the one you originally advanced, to wit, the impeachment of the witness.

Maj. HUMES. I beg your pardon, Senator, if I may interrupt you a moment, but you were not here when the ruling was made upon this question, and because of the fact that you and Senator Nelson have come in since, I was adding the contention that I made originally to Senator Overman, when he was here alone, and when the objection was made to the introduction of this testimony. I think both contentions are absolutely sound. I was simply repeating my original contention because you had not been present.

Senator WOLCOTT. Let us see. The sort of political activity that you are proposing to inquire about now is as to whether or not this witness and his organization carried on political activity against President Wilson?

Maj. HUMES. That was the last question, yes.

Senator WOLCOTT. Yes. Now, then, if it can be said with any show of reason that that political activity against President Wilson is brewery activity, then, I think, the line of interrogation would be proper; but I am at a loss to see how, if we prove that he was actively engaged against President Wilson, we have then established the proposition that he was advancing the brewery interests. So far as I can recall the campaign, I do not recall that the brewers were active against President Wilson because of any interest in their business. I do not recall that they were.

Maj. HUMES. We know that one of the ramifications of the brewery, to wit, the German-American Alliance, was active in the fight for another reason, although financed by the brewers.

Mr. BAILEY. Mr. Chairman, I want to protest against Maj. Humes' statement, three times repeated, that this witness is a hireling of the brewers. There is not a syllable of evidence in this record to justify that statement, and that statement is not correct.

This man conducted a publicity bureau. He solicited subscriptions from everybody, or contributions from anybody, who would contribute; and it is to his infinite credit that it can not be found in a single instance where he sought to serve the use of any man or any institution because that man or that institution contributed to this end. They find one pamphlet or one sheet here with the best prohibition argument, I suppose, that can be made, because it was made by the distinguished Senator who is the author of Federal prohibition. It prints, likewise, a speech on the other side from President Taft.

Now, can it be said that any man is conducting a propaganda when he is printing both sides of the question? I have no doubt that every man who believes in his side of a question believes that his side will be promoted by being fairly presented to the people in contrast with the other side; but a man who is presenting both sides of the question can hardly be accused of conducting a propaganda; and surely a man who is doing that can not be characterized fairly as a hireling of the brewery interests.

If there were any testimony here that justified that characterization of this witness, I would not protest against it; but there is, up to this time, not one syllable in the record that justifies Maj. Humes' denunciation of this witness as a hireling of the brewers; and I protest that a citizen of the United States ought not to be summoned from 1,800 miles from his home, put under oath, and then be de-

nounced as a hireling without any testimony in the record to sustain that assertion.

That he sought contributions, he not only admits but avows. Early in his testimony he produced his authority for asking contributions from everybody. He has not attempted to evade that question. He said he received them from brewers, and from everybody else; but he likewise says that attached to no contribution was any stipulation that he should serve any particular interest.

With that much aside, I want to address myself to the competence of it.

I am not much inclined to object to any question, in the court or elsewhere, because it is immaterial. I learned a lesson on this point from one of the most remarkable men I ever knew in my life who held the ancient and honorable office of a justice of the peace down in Hill County, Tex. I think I never knew a wiser man. He was trying a case one day, and he had a habit of referring to lawyers by the name of the town from which they came, if it happened to come from any place outside of Hill County. He was trying this case, and a lawyer by the name of Benjamin Ayers came down there from Fort Worth and made some objection, and the justice said: "Well, Mr. Fort Worth, why do you object?" Promptly Mr. Ayers was on his feet, and he said: "I object because it is immaterial." "Well," said the honorable justice of the peace: "What the devil do you care, if it is immaterial, whether it goes in or stays out?"

That is my philosophy. I do not care about this matter, because it is immaterial, and I pursue that policy in court as well as elsewhere. It is only the prolongation of the matter here, the consumption of time, that I object to, and I appeal to you to end it. How in the world can you be enlightened upon the proposition which you are inquiring by whether or not this gentleman supported President Wilson or did not support President Wilson? Maj. H. produces a lot of telegrams to prove that he criticized President Wilson, perhaps, about the Adamson law, or about some other thing, and then Mr. Arnold will say "I will produce fifty witnesses to bring them before this committee, to show that I supported President Wilson." Where would be the end of this inquiry? If you allow him to be impeached upon that immaterial question—allow me to take it that it is immaterial, whether he supported President Wilson or not—then you must allow him to sustain himself, and the matter would come when the winter is past; and you gentlemen would be here day after day, pursuing an immaterial inquiry.

What do you care, and what does the Senate of the United States care, and what do the people of the United States care, whether Mr. Arnold supported President Wilson or not, and how can it be immaterial?

So far as I am informed, most of the Prohibitionists voted the Republican ticket. Probably I should express it the opposite way, that most of those who were opposed to prohibition voted the Democratic ticket. The Republican party in State after State declared for prohibition. And now to undertake to confuse and discredit this gentleman by saying that he is opposed to prohibition and opposed to President Wilson is inconsequential. It aligns him on a side

the natural alignment. But what does it all come to? I only appeal against such testimony as that because of the waste of time.

If you want to go into the question, now, of whether he supported President Wilson, as a means of discrediting him, I am not going to make any further objection than that. I only say to the committee that we, of course, shall ask the privilege of bringing men here to prove that what he has spoken on that subject is the truth.

Maj. HUMES. Mr. Chairman, I do not care anything about whether this man supported President Wilson or not, whether he was for President Wilson or Mr. Hughes, or anyone else; but I did use that with this purpose in view, to bring up once more the whole question of the materiality of the inquiry which I undertook to make a few minutes before, an inquiry into all the activities and connections between this man and Mr. Swenson in New York and the others with whom he was associated in conducting the business that he was representing himself to in Texas and in the other States.

Mr. BAILEY. In other words, you were indirectly appealing from the decision of the committee?

Maj. HUMES. I am not appealing from the decision of the committee.

Mr. BAILEY. I say indirectly.

Maj. HUMES. And I do not think there is any such pride of authorship that anyone's feelings are hurt at all. I say frankly that I did not agree with the ruling, and I am simply reciting my position.

Senator OVERMAN. I am only one of the committee, and I will put the question to the whole committee.

Maj. HUMES. And I hope no apology is necessary.

My contention is this—and I repeat it—that when a man is the custodian of a joint fund and you are trying to follow a portion of that fund, when that fund is given to an organization that is devoted to propaganda work—and that is all a publicity bureau is; propaganda is merely publicity, and when you go into a deal with a propaganda bureau, you can not determine the activities of that bureau and the real purposes of the donors of that fund—whether you are going to let a witness, one of the parties affected, by negative testimony rule out the competency of all things except such as he in his opinion thinks and admits may be material to your inquiry.

And yet that is the position that we are placed in. Instead of the committee being the judge of the materiality of this testimony and as to the importance of these activities, the manner and method and reason for expending money, the matter has now been put up to the witness to say what is competent and material and what is not competent and material. And I say that we can not make this examination, we can not get the facts, unless we go into all of the activities and ramifications of this bureau that was in part financed by the brewers who are under investigation. Whether this man was for President Wilson for reelection, or for Gov. Hughes, is absolutely inconsequential, except that it is important in this inquiry to connect the brewery activity up with some sort of political activity—and it must be connected, under the resolution, with either political activity or with German propaganda—and certainly the support of Mr. Wilson as a candidate for President of the United States, no matter what his politics, is his participation in political affairs.

Why, this propaganda material that has been brought here is the most subtle sort. Only a few sheets out of the propaganda that was issued have been produced before the committee, and yet we find in that a statement purporting to come from President Wilson in favor of the liquor business; and in the same paper we find one by Arthur Brisbane—and the committee well knows the nature of his writings. He indicated that to the committee most lucidly as he was before the committee. In the same periodical—the shrewdest sort of camouflage, and the only way in many cases that anything can be gotten into newspapers—there was a statement by Senator Sheppard. But the fact remains that that was the last article of the three that carried with it a disclaimer of the sentiment expressed in the article for the paper which might publish it.

Then we have the article which was a part of the brewery propaganda system, the eulogy of the 'brewery dollar' that I called the attention of the committee to this morning. I am not concerned with the sentiment; it is not a question of sentiment; it is the purpose of it and it connects up with the general brewery program exactly. It is a part of the program they were using all over the country.

Then, there were two articles against woman suffrage in these sheets that have been brought here. And the records of this committee also show, in the testimony already produced, that that was part of the propaganda of the brewers.

Senator WOLCOTT. That need not necessarily be so, because it happens that I have been known as an antiwoman-suffrage man, but I have also been known as quite a rabid prohibition man.

Maj. HUMES. That is true, and there are a lot of men who are in favor of woman suffrage that are not prohibitionists. I know a number of them that are. But the fact remains that that was a part of the general propaganda plan of the United States Brewers' Association, and therefore it brings it within the scope of this investigation. That is a matter that the committee is informed of, because the records of this committee are filled with it.

Now, the only question is whether we can inquire into all of this matter and the expenditure of this joint fund, or whether by the establishment of a negative it is ruled out as incompetent.

Senator WOLCOTT. Maj. Humes, your employment of the "joint fund" seems to me to be troublesome. If I thought it was a joint fund, a pool made up by these newspapers who came and employed this man, I should follow the fund wherever it went.

Mr. BAILEY. Just as you could do in a case of conspiracy.

Maj. HUMES. Where can you get more persuasive evidence of this than the fact that they have no record of this fund? There is no record in the books, there is no account with the people who patronized them. The methods were the methods of the United States Brewers' Association, that destroyed their books at the end of every thirty days. They have not got a book to show that they had an account with any of these subscribers. If it was a legitimate business, a business that would stand the scrutiny of men, it would have a book like any other business of that kind would have, and there would be a set of books. It would be conducted in the open, and there would be some record of its transactions. But there is not. All is destroyed, just as the brewers destroyed all of their records.

Senator WOLCOTT. I have not any doubt but the people who are interested in the brewing business contributed that money, and expected, at least—and had something on which to base their expectations—that something would be put in this plate matter that would present their side of the issue in a way that would please them. I have not any doubt of that in my mind, because they are not giving money for humanitarian purposes, generally speaking. They were looking for results. Whether they were pleased with the results I do not know. The witness said not.

Mr. BAILEY. I want, Senators, to make this suggestion to you all. The colonel keeps talking about these people conducting a propaganda. If I ever doubted the effect of bringing a soldier in to try a civil matter, that doubt all disappears after hearing the colonel on two or three occasions to-day.

There is not a syllable of evidence here that they conducted any propaganda; not a syllable. The evidence is that the brewers contributed, other people contributed, the railroads contributed, and what is there here to show that they even gave the prohibition side an advantage in the only publication that touches the question? The only publication before this committee is this plate matter.

Senator WOLCOTT. They are not all of them here, Senator.

Mr. BAILEY. I know, but that is all there is before the committee. The witness says that the Federal Government, through its processes and the grand jury, came to their office and got all they had. You see these telegrams here, you see everything else here. Somebody's offices have been invaded. They have produced everything. The witness says that the Federal Government, by its grand jury, came and got them. He brought what we had left.

Now, this committee certainly is not going to be asked to assume that if something was here which is not here, and for which we are not responsible, it would be otherwise than it is. This plate matter is the only thing touching what is called the brewery propaganda, and it contains the argument of ex-President Taft against prohibition. It contains the argument of Mr. Brisbane for a limited prohibition. As I understand his position, it is to prohibit the sale of whiskey and permit the sale of wine and beer—light wines and beer. And then here is the argument of Senator Sheppard who is in favor of making the United States as dry as the Sahara Desert. Now those are the three views of that question, and they are all presented in this same paper. And there is not another scintilla of evidence before this committee that these people conducted any propaganda. Why, if the complexion of the Senate were to change and the anti-prohibitionists would get after the prohibitionists with a sharp stick, and wanted to know how much money they collected and how they spent it, they would use this with just as much grace as the prohibitionists are using it now.

The colonel said they introduce the article of Senator Sheppard with an apology. They introduce it with a statement that all sides of every question ought to be put before the people. I wonder if anybody contradicts that statement? I wonder if there is a man in the world, who wants anybody to understand a question, who is not ready to say to that man that he ought to consider every side and every phase of that question?

These people were engaged in conducting an agricultural educational campaign. They not only wanted to teach the farmer how to plow, how to sow, and how to reap, but they wanted also to educate him upon the great public questions. A farmer who knows how to plow and how to sow and how to reap and still does not know how to vote, may be a good man, but he can not be a good citizen. These people were trying to supply that need of equipping the farmers and citizens of the United States for the performance of their duty. When they got this special matter, as we call it, suppose they had an article prepared by some railroad company or some railroad president and printed it here, and then they printed another one on the other side of the question, was not that educational work? Was not sending both sides of the question to the people? And if a railroad president was willing to pay to circulate his views, and if another man was willing to pay to circulate his views, or if they were circulated without pay, the result of it was that these people were enabled to send literature to the farmers of the country at a minimum cost—to the farm organizations.

Now, if they can come and produce evidence against these people that they are trying to argue in favor of brewery candidates, in favor of brewery policies, or even antagonizing as an organization the adoption of a prohibition (State or Federal) amendment, then they may say with some show of reason that they were serving the brewery, although I would hate to say that opposing prohibition is a brewery service, because I do not forget the time when the Democratic Party, under the leadership of men greater than any—I will not say greater than any who bear its honors to-day, but certainly as great as any—who bear its honors to-day, denounced salubrious legislation in its national platform. I do not forget the time when all Democrats were opposing Federal prohibition, without exception. Twenty years ago a man could not have been elected a delegate from any precinct to any county Democratic convention in the United States if he had said that he was in favor of national prohibition. And the fact that a man might oppose either State or national prohibition would not convince me that he was a hireling of the brewers. But if you can find where these men have been doing that, then you may call on them to explain, and if they can show that it is consistent with their conscientious judgment and that answers the charge of subserviency to the brewery interests. But until you can show it, why talk about them conducting brewery propaganda any more than they were conducting any other kind of propaganda?

In this pamphlet, in all these pamphlets, they were discussing questions in which every citizen of the United States was interested. Some questions in which the farmers were especially, or I might say professionally, interested, and that is all. And until these gentlemen can show a propaganda, surely they can not ask you to hear irrelevant, immaterial, and inconsequential evidence upon some vague suggestion that there was a joint fund to conduct a propaganda. Suppose, then, if the other committee over here that is inquiring into the activities of the Beef Trust summon these people over there and say: "You received money from the owners or managers of the Beef Trust, and as you also received money from the brewers, we want you to tell this Beef Trust inquiry committee all

the activities of the brewers' subscriptions." Then maybe they will all turn them over to the railroad committee, the interstate commerce committee, and say, "We understand that the railroads contributed something to your organization, and now we want you to tell us, on the theory of a joint fund, all that the beef packers and the Beef Trust and all that the brewers contributed, and why and how." There would be no end to it.

Let them prove a propaganda, and then all concerning the propaganda follows as a matter of course. I will not resist. But there has not been one syllable of testimony to establish here that these people engaged in any propaganda of any kind except to carry to the farmers of the United States useful information of every kind. That is the only definite, consistent purpose either attributed to them or fixed upon them, and all this other is merely incidental. To denounce them as hirelings of the brewers, to stigmatize them as conducting a brewery propaganda, upon this document that carries the best argument that could be made for prohibition, because made by the Prohibition forces in this country, and carries the other side from the lips of a man who was once President of the United States, and worthy, I will say, to be President again; and then the other argument from the man who occupies a middle ground—and without knowing much about Mr. Brisbane, I think he is the most conspicuous advocate in this country of that middle ground, and the only one so far as I know—with those three views set out before the farmers, to call it a brewery propaganda is a new way to describe things, to me.

Senator OVERMAN. The only way to get this question passed upon is to have Maj. Humes ask the questions, and the committee will pass upon them.

Mr. BAILEY. All right.

Maj. HUMES. On October 17, 1915, you sent the following telegram to Mr. Swenson—I am reading the decoded message:

Parties here have made arrangements for a meeting of National Farmers' Union officials, which I consider extremely important, but unless they can get assistance Wednesday, they will have to call off their arrangements. Go forward at once or temporarily abandon all effort.

Mr. BAILEY. Now, Mr. Chairman—

Maj. HUMES. I have not asked the question. I suppose you had better wait until I ask the question. To what does that matter refer, and was there money received by you in response?

Mr. BAILEY. Now, Mr. Chairman, I object to that question as irrelevant to the inquiry of this committee, and I desire to say for the benefit of Senator Nelson and Senator Wolcott that before objecting the other time I inquired of the witness whether or not any of those telegrams which have been submitted to him for identification related in any way to the brewery question or the German propaganda. I asked him further, as all of those telegrams are to or from Mr. Swenson, whether or not he had ever at any time or at any place under any circumstances discussed the brewery question with Mr. Swenson, or the pro-German propaganda question. He said that he never had discussed with Mr. Swenson either the brewery question or the German question, and that none of those telegrams related to either question. Upon that answer I based the objection to that testimony as irrelevant and immaterial to the inquiry under consideration.

Senator OVERMAN. The chair, after that statement by the witness that neither remotely nor indirectly did any of them deal with German propaganda or money furnished by the brewers, or any brewery activities, ruled out the question.

Mr. ARNOLD. I just want to correct one statement. The declaration message is not correct. It says "the National Farmers' Union." It must have been the State Presidents' Association.

Maj. HUMES. You mean the State Presidents' Association of the Farmers' Union?

Mr. ARNOLD. It would hardly be of the National Farmers' Union.

Maj. HUMES. It was the Presidents' Association of the State Farmers' Union.

Mr. ARNOLD. Yes.

Maj. HUMES. I am not concerned with which it was.

Mr. ARNOLD. I just wanted to get it correct.

Senator OVERMAN. The committee agrees with the chairman that the evidence is not competent.

The telegram that was read to you—do you know to what it related?

Mr. ARNOLD. Let me see the telegram, will you?

(The witness was shown the telegram referred to.)

Senator NELSON. We might find out what it related to, and if it related to some other matters, we would exclude it.

Maj. HUMES. That was the question that I asked, what it related to.

Mr. BAILEY. He had already testified that none of them related to German propaganda. He examined them.

Mr. ARNOLD. This evidently relates to a meeting of farmers. It probably had reference to the Adamson law.

Senator WOLCOTT. Do you state further that it had nothing to do with the brewers' interests.

Mr. ARNOLD. Yes.

Senator NELSON. Or German propaganda?

Mr. ARNOLD. Nothing whatever.

Senator WOLCOTT. I understand the witness to have sworn that with respect to every telegram in the batch, that there is nothing any wise directly or indirectly connected with any brewery interests.

Mr. BAILEY. He swore that.

Senator NELSON. Or German propaganda.

Mr. ARNOLD. Yes, sir; that is my statement.

Maj. HUMES. That was the negative I referred to.

Senator WOLCOTT. In other words, he described the whole batch instead of picking out this one.

Mr. BAILEY. He examined each one. They were handed to me for identification, and after examining them, I asked him the question.

Maj. HUMES. I gave them to him to identify, and Senator Bailey asked the privilege of asking a question, and he made the inquiry which elicited the negative statement that none of them related to either the brewers or German propaganda. It was not in any inquiry made. It was in response to Senator Bailey.

Mr. BAILEY. You began to inquire about them, and I made an objection, and realized that if he could not swear that they did not relate to breweries or German propaganda, the objection would

lie. He swore they did not, and then I made the objection. That is the record.

Maj. HUMES. I would like to ask one more question about this. I do not want to put myself in the position of trying to get these in by asking questions and having them ruled out. I bring this to the attention of the committee because of the statement that was made, and the apparent misrepresentation or the insinuation that I was misrepresenting the situation in the questions that I asked.

Senator OVERMAN. Suppose you ask the question. We can rule on it then.

Maj. HUMES. On October 18, 1916, you sent the following telegram to Mr. Swenson:

Think it important that our work coordinate with that of the Republican party and that our position taken on the tariff be publicly approved by Hughes to make it effective in the South. If this can be done then we are almost certain to win in the State referred to in my telegram to you today and perhaps in other States. Please submit to Hughes (?) the following resolution for approval and suggestions and reply not later than Monday twenty-third. We denounce the tariff of the Wilson administration as a rank discrimination against the farming interests of this nation and especially in the South. We favor protection on all farm products and demand a revision of the tariff so that the farmers of the nation will not be compelled to sell in a free market and buy in a protected one as they are forced to do by the present tariff.

(Signed) J. A. ARNOLD.

That is one of the telegrams that you sent to Mr. Swenson?

Mr. ARNOLD. I expect so.

Senator OVERMAN. That had nothing to do with German propaganda or brewery interests?

Mr. ARNOLD. Nothing whatsoever.

Mr. BAILEY. Evidently that related to the tariff.

Senator OVERMAN. But you spoke of carrying the State.

Maj. HUMES. But it did not show that you were interested in Democratic success.

Mr. BAILEY. Hughes did not succeed.

Maj. HUMES. But the resolutions were passed that you wanted, were they not? Did you not wire Swenson to see that they were adopted?

Mr. ARNOLD. In the election of that date? In that campaign?

Maj. HUMES. No, the resolution referred to was adopted by the organization afterward, whether Hughes was elected or not?

Mr. ARNOLD. They favor the protective tariff.

Maj. HUMES. I show you a certified copy of your bank account in the American National Bank of Fort Worth. You testified this morning that all of the funds that came into the association were deposited to Mr. Muse's account. I show you this to refresh your recollection, and ask you now if considerable sums of this money did not go to your account, to wit, about \$100,000 at that time.

Mr. ARNOLD. No.

Mr. BAILEY. I object to that form of question, because it does not state what the witness swore. The witness swore that some of the sums might have been sent to him and passed to his account, and afterwards transferred to the other. He did not swear that all of this money went to the credit of Muse.

Maj. HUMES. I think you are correct as to that. He said that there were transactions of that kind, but that they were of small amounts.

Mr. ARNOLD. That did not cover the entire period. He had reference to the period——

Maj. HUMES. What period do you mean?

Mr. ARNOLD. It began about 1915, I should say. It would come right along there. There is \$10,000 a year. That is not so much.

Maj. HUMES. Ten thousand dollars in 1916. There was \$16,000 deposited to your account was there not?

Mr. ARNOLD. That is the way it looks.

Maj. HUMES. And some of the drafts that were drawn on Swenson were deposited to your account, were they not then?

Mr. ARNOLD. Well, I do not know, I could not say how that was. It was all mixed up. We were always in debt.

Maj. HUMES. Is it not true that you had another account that was kept in the name of Ida M. Darden, in which considerable sums were kept?

Mr. ARNOLD. It was part of the Muse account, transferred by her to the Muse account. The total was in this account, that was from 1915 on. That was my understanding of it.

Maj. HUMES. Now, Mr. Arnold, is this a fact, that a very considerable amount of the funds that were drawn on Mr. Swenson were drawn by Mrs. Darden and deposited to her account at the time?

Mr. ARNOLD. He drew the money and it was put into the Muse account. The drafts were deposited to the Muse credit.

Maj. HUMES. And when the draft was drawn the telegram authorizing it was attached to the draft, and the bank cashed the draft on presentation. Is not that true?

Mr. ARNOLD. It was deposited at the bank.

Maj. HUMES. In Mrs. Darden's account?

Mr. ARNOLD. No, I do not think it was in her account, I think it was in Mr. Muse's account.

Maj. HUMES. In these three accounts, the Muse account, the Darden account and your own account, in the year 1914——

Mr. ARNOLD. When did the Muse account open?

Maj. HUMES. Nineteen hundred and fourteen, on the 19th of December. It was practically a three-year account, and \$110,754.12 passed through it in those three years, did it not?

Mr. ARNOLD. I expect so. I do not know. Yes, you have got 1914, 1915——

Maj. HUMES. There was only the first \$5,000 deposited at the end of 1914. That is the only item in December.

Mr. ARNOLD. Yes.

Maj. HUMES. Now, then, in 1914 there was \$90,000 that went through your account, was there not?

Mr. ARNOLD. That is before this account was opened?

Maj. HUMES. Oh, no.

Mr. ARNOLD. Yes.

Maj. HUMES. This account covers the whole period. Both accounts cover the whole period. There is a summary of it. I am taking up these three years, 1911, 1912, and 1913, and starting at 1914 it shows a total of \$110,000.

Mr. BAILEY. The other account did not start until December, 1914.

Mr. ARNOLD. I probably said to Mr. Muse, "Everything will go into your account after this."

Maj. HUMES. In 1914, you had \$47,000.

Mr. ARNOLD. I never had an account in 1914.

Maj. HUMES. From 1914 down it amounted to \$90,000.

Mr. ARNOLD. For six years.

Maj. HUMES. From 1914 down.

Mr. ARNOLD. In 1914 \$47,000. That is the point you are getting at.

Maj. HUMES. And in 1916 Mrs. Darden opened her account. Is that so?

Mr. ARNOLD. I expect so. I do not recall the dates.

Maj. HUMES. In 1916 and 1917, when practically all the transactions were carried on, there was \$39,000 in the Darden account, \$110,000 in the Muse account and in your account \$101,000, making a total of \$250,000 in the three accounts?

Mr. ARNOLD. The Muse account covers the entire receipts from the time it was opened until closed.

Maj. HUMES. Do you swear to that?

Mr. ARNOLD. I have sworn several times to that.

Maj. HUMES. You swear here that the funds of the Muse account were transferred from either the Darden account or your personal account to the Muse account?

Mr. ARNOLD. I swear that when money came in it was deposited to the Muse account and was transferred some to Mrs. Darden and some to me.

Maj. HUMES. That was the plan, to transfer some to one, and some to the other?

Mr. ARNOLD. It was transferred to one or the other.

Maj. HUMES. How about these drafts then, were they all deposited to the Muse account?

Mr. ARNOLD. That was the rule.

Maj. HUMES. Why did not you swear to that before the grand jury down in Texas?

Mr. ARNOLD. I think that is the way they handle it.

(Thereupon, at 4.55 o'clock p. m. the subcommittee adjourned until to-morrow, Friday, January 17, 1919, at 10.30 o'clock a. m.)

BEWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

FRIDAY, JANUARY 17, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman) and Nelson.

Senator OVERMAN. The committee will come to order. Several of the members of the committee can not be here this morning, but we will proceed with the investigation without a quorum.

[I will say, Senator Bailey, that under my ruling of yesterday, this matter is simplified, and we will have no further use in this case for witnesses, Mr. Arnold and Mrs. Darden. We will excuse them.

Mr. BAILEY. You will excuse them?

Senator OVERMAN. Yes, sir.

Mr. BAILEY. That is satisfactory to us. Mr. Arnold, if the Chair please, would like to make a statement concerning a statement contained in the prints this morning.

Senator OVERMAN. Does he desire to make any correction in his testimony?

Mr. BAILEY. No. Here is all that he wants to do. The newspapers misunderstood him as saying that these contributions which they made were made for the purpose of propaganda against the Adamson law. He did not testify to that, and he simply wants the record to show that if he testified to anything which could be construed as meaning that, he did not intend to do it, because——

Senator OVERMAN. We will hear him. Go ahead, Mr. Arnold.

TESTIMONY OF MR. J. A. ARNOLD—Resumed.

Mr. ARNOLD. I notice in this morning's Washington Herald, in regard to my testimony of yesterday before this committee, there is the following statement:

He stated that the following railway companies had also contributed through P. Swenson, a New York banker: Santa Fe, Southern Pacific, Union Pacific, Missouri, Kansas & Texas, Illinois Central, and Norfolk & Western. Payments by the railways were made in February, 1915, for the purpose of propaganda against the Adamson law.

They made no contributions for that purpose. I did not testify that they did.

Major HUMES. Now, just wait a moment. I certainly object to this needless stating things that he did not do. If he wants to correct

something that the newspapers have said, that is one thing. when he undertakes to testify to things that he did not do, that is another and quite different matter.

Mr. BAILEY. Oh, Colonel, you would not object to a citizen claiming having said certain things?

Maj. HUMES. No; that is what I say.

Mr. BAILEY. And he wants to do that on the record.

Maj. HUMES. No; if he confines his statement on the record to correction of a misstatement of what he testified to, that is one thing, but I object to his coming here and making self-serving declarations.

Senator OVERMAN. Just read to the witness, Mr. Stenographer, what he said, if you can, from the record of yesterday.

Mr. BAILEY. I would just simply say, without taking the time to go all through that, that what he testified to was, he did not say that they contributed such moneys for the purpose of propaganda against the Adamson law—for the purpose of defeating the Adamson law. As a matter of fact, the money was contributed a year or two before the Adamson law was passed.

With that, as I understand, Colonel, Mr. Arnold and Mrs. Darden are excused?

Senator OVERMAN. Yes, sir.

Mr. BAILEY. Here is a pamphlet to which reference has been made known as the Adamson law pamphlet, and the Chair will remember that I undertook to quote, and substantially did quote, the telegram to Mr. Lovett.

Senator OVERMAN. You only want this paragraph which you have marked to go in?

Mr. BAILEY. Yes.

Senator OVERMAN. The stenographer will put that in.

(The extract from the pamphlet referred to, containing the telegram mentioned, is here printed in the record, as follows:)

In order that the railway managers might become officially informed of the position of the Union, the following telegram was sent Judge R. S. Lovett, member of the committee representing the railroad presidents in their negotiations with the President of the United States:

"We desire to give notice through you to the railroad interests of this country that the organized farmers will fight any increase in freight rates that is attempted in settlement of the present labor controversy. If the owners of the railroads want to give their employes an increase in wages from present rates that is their business, but if the increase in wages is to be given them at an increase in freight rates, that is our business."

Mr. BAILEY. I only want, now, to thank the committee for their courtesy during this hearing.

I want to ask Maj. Humes, now, if he is not willing to say upon the record that there is no evidence that either Mrs. Darden or Mr. Arnold was implicated in any German propaganda.

Maj. HUMES. It would be rather presumptuous for me to undertake to make findings for this committee.

Mr. BAILEY. I did not ask you to make that finding.

Maj. HUMES. The record speaks for itself, and I remember the introduction of no testimony on that subject, whatever.

Mr. BAILEY. That is true.

Maj. HUMES. But I do not undertake to draw any conclusions. The committee must do that, and I can not presume to do it.

Mr. BAILEY. I only ask you, as a lawyer, a soldier, and a gentleman, to say, for the benefit of this woman, that there is no testimony here tending to show any connection on her part with any German propaganda.

Maj. HUMES. Well, the record speaks for itself, and that certainly is true.

Mr. BAILEY. Now, Maj. Humes, speak also, and say.

Maj. HUMES. I say there is no evidence before this committee involving Mrs. Darden in German propaganda in any way.

Mr. BAILEY. Let the stenographer record that, and I am satisfied. After consultation with Maj. Humes.] And the record will show that Mr. Arnold is included in Maj. Humes's statement as to that exculpation.

Senator OVERMAN. I promised to hear Mr. Dickinson this morning. You may take a seat, sir.

Mr. DICKINSON. You desire to swear me, I suppose?

Senator OVERMAN. Yes, sir.

TESTIMONY OF MR. J. J. DICKINSON.

(The witness was sworn by the chairman.)

Mr. DICKINSON. It was stated here, Mr. Chairman, the other day, when you postponed my hearing, that I would be confronted by a witness, the absence of whom was the cause of my hearing being postponed to this date. May I now be confronted by that witness before we proceed?

Senator OVERMAN. Is the witness here in the room?

Capt. LESTER. He is sitting right over there.

Senator OVERMAN. Now, you may go ahead with your statement.

Mr. DICKINSON. Is it not customary for a man under charge, as I am, to know what the charge is, sir?

Senator OVERMAN. No; you make your statement. You requested an opportunity to be permitted to make a statement. You proceed with your statement.

Mr. DICKINSON. Mr. Chairman, I want first to sincerely thank you for the opportunity. I am here to defend a name that is mine, but that belongs to other human beings. I simply hold it in trust, and no man can have a more sacred trust than that. That is enough to say on that, I believe. I propose to leave nothing unturned to show that the charges that were hurled against me here, loosely and from an irresponsible and uninformed source, every one of them can be and shall be disproved categorically. So that I wanted to know what other charge may be recklessly hurled against me here, sir. However, if it is your wish, I submit to your wisdom and your fairness.

(The following letter was submitted at this point:)

WAR DEPARTMENT,
Washington, October 24, 1918.

MY DEAR MAJOR DICKINSON: I understand that you have submitted your resignation as a captain in the Signal Corps. I believe that it is the wisest thing to do, as you say you are precluded from field service. The work which you would be called on to do in an office in Washington is probably about the worst thing that you could be called on to do for your health that differs little from your normal occupation as a newspaper man.

I desire, now that you are leaving the service, to make of record the fact that you earnestly sought military service at the beginning of the war and that, on

my recommendation, you were made a captain in the Signal Corps and assigned to duty under me as chief military censor only when I had become aware that the rules governing the appointment of officers for field service would prevent your being so appointed. I desire also to state that you worked satisfactorily with me until I was relieved as chief military censor.

While you are doubtless disappointed at not being able to perform the character of service which you desired in the field, it must still be a satisfaction to know that you have attempted to do all that was possible and that you have done well what was assigned to you.

With kind regards and best wishes, I am,

Very sincerely,

(Signed)

FRANK MCINTYRE
Major General U. S. Army

Captain J. J. DICKINSON,
Office of the Chief Signal Officer,
Washington, D. C.

Mr. DICKINSON. I desire first to give here a brief outline.

I represented George Sylvester Viereck in Washington about a year, or from about March, 1916, to about the first week of February 1917. I abandoned all relations with him about the time our diplomatic relations with Germany were broken, or it appeared that they were about to be broken. In other words, it was only during the period of absolute neutrality that I maintained this relation. This I was within my legal and moral rights.

I used the nom-de-plume "Josiah Wingate" both in the material prepared for publication in his newspaper, *The Fatherland*, and in numerous private letters I wrote to him—letters that were merely to keep him informed of events in Washington.

For this legitimate service I received \$30 a week up to the time the services were transferred from Viereck to the Trans-Oceanic News Service, which was under the management of Dr. K. A. Frazier. I would have performed both services without pay had it been necessary or advisable. Those who know me appreciate that this represented very little to me and covered a very small part of my expenses. I sought and maintained this connection with Viereck for a special purpose, which was strictly political, as shown by certain results and events connected with the last Democratic Presidential campaign.

As a direct result of my business association with Viereck, I was enabled to aid the Government in effecting a wide entrance to an avenue that led directly to the German propaganda in this country. I turned over to the then proper Government agency, the Rules Committee of the House of Representatives, the copy of a communication known as the "leak note" and which led directly to the raid on Viereck's offices by another proper agency of the Government.

At no time was my association with Viereck the secret it has been misrepresented as being. At no time was I conscious of being in any sense connected even remotely with what was known as the German propaganda. My chief objective was to render what aid I could to the movement to keep the country out of war, and to the support of the Democratic party and President Wilson through the so-called German-American vote, and the so-called Pacifist vote, of which elements were striving to maintain our neutrality. As concrete evidence of my political purpose I point to several actions and undertakings in association with certain officials of the Democratic National Committee. For example:

1. I arranged a political conference between George Sylvester Viereck and Postmaster General Burleson at the headquarters of the Democratic National Committee.

2. I induced Viereck to withhold from publication a vicious and untruthful attack upon United States Senator James A. Reed of Missouri, which might have cost his reelection and the loss of the electoral vote of Missouri to President Wilson.

3. I aided in arranging the conference between the late Senator Wm. J. Stone and a crowd of leading Germans. This became known as the all night secret conference between Senator Stone and the German leaders at Terrace Hall, New York. Among the Germans present at that conference was George Sylvester Viereck.

4. At the instance of James C. McGuire and George Sylvester Viereck, both pro-Germans, I negotiated with Chairman Vance C. McCormick of the Democratic National Committee a plan for the publication simultaneously in The Fatherland and The Irish World an article of great importance dealing with the so-called Irish-Catholic vote. Chairman McCormick expressed eager willingness to have his article so published until he was informed that an effort was to be made to induce Wm. Jennings Bryan to father the article.

I was acquitted months ago, both by Maj. General Frank McInerney, Assistant Chief of Staff, and Brig. Gen. M. Churchill, chief of the Military Intelligence Division of the General Staff of the Army, of any act or intent of disloyalty to the country.

As soon as it became evident that the country was going into the war, I strove earnestly to be permitted to rejoin the combat forces of the Army, where I served during the Spanish-American War, a considerable part of that time in Cuba. As a result of medical examination, I was deprived of this privilege, and was finally commissioned for service in the military censorship and military intelligence service. My only son was among the first to enter the Army as a volunteer, and for eighteen months he has had continuous and unbroken service in France.

Senator NELSON. In what line?

Mr. DICKINSON. My son, sir, is a captain of Engineers in the United States Army in France; and permit me to say, Senator Nelson, with all the calmness I can, that these charges have reached France, and my son, among his splendid activities, is being told I was plotting with Germany to have him murdered. He volunteered, and after a very strict examination he was made first lieutenant, and on his captaincy after arduous service in France. I did not put that in the statement.

Senator NELSON. Is he in the branch that is building railroads here?

Mr. DICKINSON. Yes, sir.

Senator NELSON. The transportation lines?

Mr. DICKINSON. Yes, sir; the 17th Engineers, railway. He has not been confined wholly to that, sir.

I sought and obtained service under the direction of the State Department in an effort to uncover the secret activities of George Sylvester Viereck and his associates against this country after we had entered the war. For this work I declined to accept any pay. I also worked on a collateral branch of the Viereck matter for the Department of Justice. For that effort I also refused to accept pay.

Capt. Lester omitted to inform your committee that while I still wore the uniform of an officer of the United States Army, and was subject to summary trial by court-martial, I asked the Commanding General of the Southern Department and Maj. Gen. Frank McIntyre to order a court of inquiry, as the Viereck matter came up in form of rumors putting me in an improper light. Capt. Lester did state to you that no action of any kind had been taken by the War Department after a thorough investigation by it; so that out of all this maze of absurd suspicion and misrepresentation, the sole fact that remains is that before the United States went to war, I wrote several letters a week to Viereck in New York, giving him my views as to the probable policy of this government which at that time was observing strict neutrality. For this I have no apologies to make to any one, but I have no intention of having that fact distorted for the purpose of reflecting upon my loyalty and patriotism.

Capt. Lester stated to you under oath that I fraudulently obtained and betrayed the confidence of public men and other persons. I challenge Capt. Lester to produce one single witness or fact in substantiation of this charge.

Senator NELSON. Let me ask you a question right there.

Mr. DICKINSON. Yes.

Senator NELSON. Do you claim that Viereck's Fatherland was a neutral paper?

Mr. DICKINSON. No, sir; I do not.

Senator NELSON. Well, you intimated something to that effect. Is that not so?

Mr. DICKINSON. I said, Senator, that while we were in a condition of neutrality I represented Viereck here with the distinct purpose of trying—

Senator NELSON. You knew that he was not neutral?

Mr. DICKINSON. He was pro-German; intensely so, but antiwar. It was in that sense that I meant.

Senator OVERMAN. In the evidence that Capt. Lester gave, he was asked to tell what was on the files in his department?

Mr. DICKINSON. Yes.

Senator OVERMAN. I do not think he swore to anything himself. He was only speaking from documents.

Mr. DICKINSON. From documents? There are no documents on file in his department, I am bold to say—

Senator OVERMAN. He can not produce them, but—

Mr. DICKINSON. If you will be good enough to produce the original record, I will read from it.

Senator OVERMAN. Are you through with your statement?

Mr. DICKINSON. I would like very much to elaborate every statement that I have made, and to be quizzed by you and the prosecution to the utmost.

Senator OVERMAN. Are you through with your statement?

Mr. DICKINSON. I am through with that formal statement, but I hope you have not finished with me. I want to be questioned more closely.

Senator OVERMAN. Will you proceed, Maj. Humes.

Mr. DICKINSON. Are you or Capt. Lester going to conduct the examination, Major?

Senator OVERMAN. I have just asked Maj. Humes to conduct the examination.

Maj. HUMES. Mr. Dickinson, referring to the compensation that you received. I just want to refresh your recollection from my understanding of the transaction, because I assume that, while it is not especially important——

Mr. DICKINSON. I have been very careful about that statement, for an object which will appear later.

Maj. HUMES. Was it not \$40 continuously?

Mr. DICKINSON. No, sir; it was not. If you have the checks you will see that they came from Frederick F. Schrader, my connection with whom I would like to explain, in due time.

Maj. HUMES. We will get the checks.

Mr. DICKINSON. Some checks came from Viereck, when I was representing the other service—\$40 checks.

Maj. HUMES. Your compensation, then, came from Schrader?

Mr. DICKINSON. Yes.

Maj. HUMES. For how long a period of time?

Mr. DICKINSON. Down to the time I was transferred from Viereck's to the Trans-Ocean News Service, about which everybody knew in Washington.

Senator NELSON. Who was this man Schrader?

Mr. DICKINSON. I will tell you about him if you want me to——

Senator OVERMAN. He has asked you the question. Just answer the question.

Mr. DICKINSON. What is the question?

Senator OVERMAN. Senator Nelson asked you who Schrader was. Let me tell you something: I want you to answer the questions that are asked here.

Mr. DICKINSON. Shall I answer the Senator's question?

Senator OVERMAN. Yes; answer the question.

Mr. DICKINSON. All right.

Senator OVERMAN. Do not talk too much.

Mr. DICKINSON. Frederick F. Schrader was a man that I had known for more than 20 years. He had been an active newspaper man in the West and——

Senator NELSON. Where did he live? Here?

Mr. DICKINSON. I will tell you about him.

Senator NELSON. Do not go into all the circumstances. Just answer my question.

Mr. DICKINSON. Very well, sir. Frederick F. Schrader, an old acquaintance of mine, through whom I made this connection with Viereck for the purpose I have stated——

Senator NELSON. Where was Schraeder?

Mr. DICKINSON. He was coming here every week-end.

Senator NELSON. Where was he from?

Mr. DICKINSON. New York, then, but he had lived here many years.

Senator NELSON. Was he a German, or of German descent?

Mr. DICKINSON. I realized it after he became obsessed of the Teutonic furioso, and——

Senator OVERMAN. That is all you need answer.

Senator NELSON. You need not go any further.

Maj. HUMES. You were employed originally by Schrader?

Mr. DICKINSON. For Viereck.

Maj. HUMES. For Viereck.

Mr. DICKINSON. Yes; for Mr. Viereck's Fatherland.

Maj. HUMES. About when was that?

Mr. DICKINSON. That was some time in March. I have some evidence of it here, if you will permit me to produce it.

Maj. HUMES. Then you wrote several letters that were published in the Fatherland?

Mr. DICKINSON. Oh, yes; I have one of them here.

Maj. HUMES. You wrote those letters under the nom de plume of Josiah Wingate?

Mr. DICKINSON. Yes; for the deliberate purpose—

Maj. HUMES. Under what circumstances was that name adopted?

Mr. DICKINSON. Do you want me to tell those circumstances?

Maj. HUMES. Yes.

Mr. DICKINSON. Primarily, so far as they were concerned, it was for the well-known purpose, common to journalism, to use a nom de plume in order to arouse curiosity as to who the author was. That was the primary object—just as our delightful friend, Reilly Grannon, does here, now, occasionally. But the specific object, if you will permit me to explain it, gentlemen of the committee, as evidenced by this clipping—the only scratch of the pen that I have—the specific object, since I had failed, after earnest efforts, to get before the country Mr. William J. Bryan's course and conduct, as I had failed utterly, nobody would listen to me, I embraced this opportunity, knowing, of course, that in a German paper it would be discounted, but I have been in the newspaper business all my life, and I knew the force and effect of the printed word, as illustrated here—I started in, deliberately and cautiously, to present Mr. Bryan's attitude and course, with which I was as familiar as anybody alive.

Senator NELSON. Do you mean Secretary Bryan?

Mr. DICKINSON. He was then ex-Secretary.

Senator NELSON. Yes.

Mr. DICKINSON. Now, I shall have to go back in order to explain that feature of it.

Either in the late fall of 1913—I was then associated with Mr. Bryan at the State Department—or the early spring of 1914, so far and fair a periodical as the Saturday Evening Post contained the most violent and vicious attack on Mr. Bryan that I had ever read, and I have read God knows how many of them; and it was written by a friend of mine by the name of Henry Beach Needham, who was killed—Lord help his soul—in an aeroplane accident in Europe soon after the war started.

I sat down at my desk in my office opposite Mr. Bryan's and started to prepare an article which I was to take over to Mr. Lorimer, under whom, years ago, I did a great deal of work.

But I carried it over to Mr. Bryan, and I said: "Mr. Bryan, this is a vicious attack, and I am simply going to state the plain facts about it. I know that Mr. Lorimer, when he is enlightened, will publish it." He said: "Sit down. I want to lay down one rule to you now, in your relations to me"—everybody knows they are close, and as confidential as anybody has confidential relations with

Mr. Bryan—God bless him, he has no secrets; but he said: "If you should write that thing, everybody knows the relations between you and me, and they would say that I had inspired it, and it would do no good. Can't you see that?" "Well," I said: "From that viewpoint I can." He said: "Do not do those things for me. People will say that I have inspired you."

So that I was starting this work under that nom de plume, to make it more effective.

Maj. HUMES. That was as a result of a discussion you had had with Secretary Bryan?

Mr. DICKINSON. Mr. Bryan knew nothing about my working for Viereck. Please do not misunderstand that.

Maj. HUMES. No, but—

Mr. DICKINSON. Away back in 1913 or 1914—

Maj. HUMES. But I am trying to gather together your statement now.

Senator OVERMAN. I am going to insist on your answering the questions, Mr. Dickinson.

Mr. DICKINSON. Very well, sir. I will respond as quickly as I can.

Senator OVERMAN. When you answer the question, if you then desire to make an explanation, I will let you do so.

Mr. DICKINSON. I shall do it.

Maj. HUMES. As I understand, you state that the nom de plume "Josiah Wingate" was decided upon as a result of some talk, formal or informal, that you had with Secretary Bryan on your writings that might be of interest to him; is that correct?

Mr. DICKINSON. That talk antedated this transaction fully two years, sir.

Maj. HUMES. Yes. Is that when you adopted this nom de plume of Josiah Wingate?

Mr. DICKINSON. Yes, sir.

Mr. Chairman, may I please get that straightened out so that Mr. Bryan will not be misrepresented? Mr. Bryan knew absolutely nothing of my connection with Mr. Viereck.

Senator OVERMAN. You have already indicated that.

Mr. DICKINSON. But the Major was sort of confused.

Maj. HUMES. The only thing I am concerned with is how this nom de plume was adopted and when.

Mr. DICKINSON. I have already explained my adoption of the nom de plume specifically, sir.

Maj. HUMES. You wrote a letter on July 29, 1918, to Gen. Churchill, of the General Staff?

Mr. DICKINSON. Yes. I hope you will read that letter, Maj. Humes.

Maj. HUMES. I call your attention to one sentence in that letter, with reference to this nom de plume:

"After my first letter had reached Viereck's offices at 1123 Broadway, New York, I received a letter from him suggesting that I adopt the nom de plume Josiah Wingate."

Mr. DICKINSON. Yes, sir.

Maj. HUMES (reading):

As he thought it would be better to surround the correspondence with some curiosity as to the real author of the letters. To this proposition I assented.

Mr. DICKINSON. Yes, sir.

Maj. HUMES. Having refreshed your recollection, I ask you again: Was this *nom de plume* decided upon because of some understanding or conference that you had with Mr. Bryan, or because of the suggestion which you had received from Mr. Viereck?

Mr. DICKINSON. Now, Mr. Chairman, please let me protect myself and Mr. Bryan, there. He says, as a result of Mr. Bryan's direction, Mr. Bryan had nothing to do with it, absolutely.

Senator OVERMAN. Was it at the suggestion of Mr. Viereck? He asked you that question.

Mr. DICKINSON. It was a suggestion brought about through Mr. Schrader, with all the art I could bring to bear on it, yes.

Maj. HUMES. Well, then, Viereck did suggest this *nom de plume*?

Mr. DICKINSON. I will not say positively that he did, but it was agreed upon.

Maj. HUMES. Your statement in this letter is correct?

Mr. DICKINSON. Yes. I hope you will read it all.

Maj. HUMES. You also say you originally received \$30 and then \$40 a week?

Mr. DICKINSON. Yes.

Maj. HUMES. I call your attention to another statement in the letter:

I think that sometime in the month of March, 1916, I was approached in Washington by Mr. Frederick F. Schrader and asked if I would represent Washington the Fatherland, which was owned and edited by Mr. Viereck; I accepted this employment. The employment contemplated the writing of a letter by me for publication in each weekly issue of the Fatherland, for which I was to receive a weekly compensation of \$40.

Mr. DICKINSON. Yes. I will explain that to you. It will be a little embarrassing to Mr. Schraeder, but I will do it. The compensation agreed upon was \$40 a week. Your files, if they are complete, Mr. Humes, will show you that I received each week, from Mr. Schrader, a check made out by him for \$30.

I said nothing about it. I have explained to you that I was not looking for the money. But when I was transferred to the Trans-Ocean News Service, to the embarrassment of Mr. Schrader, and to his wrath—and he has been down on me ever since—it was supposed that he was holding out \$10 a week on me; against which I never complained, until it came to another point; and naturally I was embarrassed. He told me that he was using it in another way in Washington. I never objected to it, and said nothing about it until another event that you will run across there. Your check will show that Mr. Schrader's check came to me for \$30 a week.

Maj. HUMES. The original employment contemplated the writing of a weekly letter to be published in the Fatherland. How many letters were published in the Fatherland?

Mr. DICKINSON. I think as many as three; certainly as many as two. You must have them.

Maj. HUMES. Either two or three?

Mr. DICKINSON. Yes.

Maj. HUMES. After that your communications were never printed in the Fatherland, were they?

Mr. DICKINSON. No, sir.

Maj. HUMES. Then there must have been a modification in the original agreement which you entered into with Mr. Schrader. What was that modification that was made in that agreement?

Mr. DICKINSON. I tried not to encumber that letter with too much detail. Either in a conversation with Mr. Schrader here or in New York—I was going to New York frequently on other business, and as a matter of fact I recall distinctly the event—the first time I met Mr. Viereck was at lunch with Mr. Schrader in the Fifth Avenue building. I had then been in his service for a month, and at least the letter had been withheld from publication, and either Mr. Schrader or Mr. Viereck said to me: “Now, our paper is small. Mr. Schrader is our regular correspondent. He goes there at heavy expense to the paper, once a week, to gather up data and material to write for the paper. We do not want to lose your services. If you will be good enough simply to write us informal letters out of which we may, on occasion, make a letter for publication, and hence continue your nom de plume of ‘Josiah Wingate,’ because I have not told the office, for obvious reasons, who you are, and some of my assistants might, at some time, put your name at the head of an article.” That was the end of the transaction, sir. I did not want to encumber that letter with all details of that kind.

Maj. HUMES. And it was felt that your services would be more valuable if you would write these personal confidential letters on political subjects and upon the foreign situation?

Mr. DICKINSON. Yes.

Maj. HUMES. To Viereck?

Mr. DICKINSON. Yes.

Maj. HUMES. Then, as though you would write letters to be published in the Fatherland?

Mr. DICKINSON. To write more freely, if you please, yes; out of which he might take several for publication.

Maj. HUMES. In other words, you were to communicate, in these letters, confidential information that could not properly be published?

Mr. DICKINSON. That is strictly a conventional term, Maj. Humes, that is used in journalism, and used by lawyers—by yourself and many others. I had no confidences. I will show you that, directly. I sought no confidences.

Maj. HUMES. Then you did, when you commenced writing these purely personal letters, continue to use the nom de plume of “Josiah Wingate”?

Mr. DICKINSON. I did.

Maj. HUMES. Even though the letters were not to be published?

Mr. DICKINSON. Yes.

Maj. HUMES. What was the necessity, and how was a curiosity aroused by the use of the nom de plume “Josiah Wingate” in personal and confidential letters that you were sending to Viereck?

Mr. DICKINSON. I just explained that, I thought: That Mr. Viereck said that most any time he might make up out of these various letters a letter for publication, and that he did not want the assistants in his office to know who I was. I will explain after awhile. I know why he did not want the assistants in his office to know who I was, and if I signed my name his assistants might put the name on the letter for publication.

Maj. HUMES. Then it was not an open secret that you were the author of these letters?

Mr. DICKINSON. It was an open secret so far as I was concerned.

Maj. HUMES. So far as you and Viereck were concerned?

Mr. DICKINSON. And gentlemen have come to me since this thing came up and told me that I told them.

Permit me to say this. Even Capt. Lester has stated that I was a secret German agent, or posing as a secret German agent. A secret agent does not pose.

Maj. HUMES. When did you first meet Viereck after this arrangement was made?

Mr. DICKINSON. I met Mr. Viereck possibly three weeks, or possibly a month, after I was in his service.

Maj. HUMES. In New York or in Washington?

Mr. DICKINSON. In New York, at luncheon with Mr. Schrader at the Fifth Avenue Building.

Maj. HUMES. You went there to confer over the general employment?

Mr. DICKINSON. I had gone over there on some other matters. I called on Mr. Viereck, and I first called up Mr. Schrader, and he said: "I am glad you are here. I want you to meet Mr. Viereck. We will have lunch, and talk over things."

Maj. HUMES. Did you at any time during your employment concern yourself with reference to legislation pending or to be introduced?

Mr. DICKINSON. Not much.

Maj. HUMES. In which Mr. Viereck was interested?

Mr. DICKINSON. Not much.

Maj. HUMES. To what extent?

Mr. DICKINSON. I do not recall to any extent, because Mr. Schrader had cut out that end of the work for himself. I am a lazy fellow and I rarely ever come up on the Hill.

Maj. HUMES. I call your attention to a telegram dated April 1916, addressed to George Sylvester Viereck, and signed J. J. Dickinson. It follows:

Your splendid resolution received. Probably will be introduced by Senator Chamberlain, which will make it invincible. Senator Stone so advises. Look out for extensive newspaper publication within next few days. White House probably informed of it to-night.

What was the resolution and who finally introduced the resolution referred to?

Mr. DICKINSON. May I see that?

Maj. HUMES. Yes; here it is.

Mr. DICKINSON (reading):

Your splendid resolution received. Probably will be introduced by Senator Chamberlain, which will make it invincible. Senator Stone so advises. Look out for extensive newspaper publication within next few days. White House probably informed of it to-night by Stone.

I have absolutely no recollection of the subject or of sending such telegram, sir.

You can produce the original in my handwriting, I suppose. It is with the Western Union. The Western Union keeps its files very carefully. I have absolutely no recollection of the incident.

Senator OVERMAN. That is a photostat, is it?

Maj. HUMES. A photostat of the original; yes.

Mr. DICKINSON. A photostat of the original from the Western Union files?

Maj. HUMES. Yes.

Mr. DICKINSON. Here in Washington? I have absolutely no recollection of it.

Maj. HUMES. You do not know what the resolution referred to?

Mr. DICKINSON. I do not, sir.

Maj. HUMES. What was Mr. Viereck interested in that might be made the subject of a resolution about that time?

Mr. DICKINSON. I do not know, sir. I had absolutely no connection with Mr. Viereck at the time; absolutely no connection with Mr. Viereck at the time. Was that 1917?

Maj. HUMES. April, 1916.

Mr. DICKINSON. Oh, April, 1916?

Maj. HUMES. Yes. That was about a month after—

Mr. DICKINSON. I have no recollection of it, sir. That was April, 1916? I thought it meant 1917. I may have sent it, but I have absolutely no recollection of it. I must have conferred with Senator Stone about it. It was one of those instances, evidently, when Schraeder was not here, and Mr. Viereck wanted some action.

Maj. HUMES. Was there more than one such instance?

Mr. DICKINSON. I do not recall any others. There may have been. That was all evidently for peace, yes; and while we were entirely neutral.

Maj. HUMES. Now, Mr. Dickinson, how frequently did you come in contact personally with Mr. Viereck?

Mr. DICKINSON. It is a hard thing to say. Whenever I would go to New York, nearly always I called on Mr. Viereck. For the three months during which I was connected with the Democratic National Committee, I saw him anywhere from one to three times a week, either in his office, the Democratic headquarters, or at the Manhattan Hotel where I was living.

Maj. HUMES. Mr. Dickinson, did you ever meet him at 1123 Broadway?

Mr. DICKINSON. Oh, frequently, sir.

Maj. HUMES. That is where his office was?

Mr. DICKINSON. That is where his office was.

Maj. HUMES. And Dr. Fuehr's office was there?

Mr. DICKINSON. I knew nothing about Dr. Fuehr until you will come to it there, sir.

Maj. HUMES. When did you first meet Dr. Fuehr?

Mr. DICKINSON. I met Dr. Fuehr probably three days after the presidential election of 1916. My purpose was, as I knew that I had accomplished all that I could, to quit Mr. Viereck's service and I had indicated to him. Mr. Viereck called me over the telephone—it is as I described in that letter, sir—and asked if I would please come to his office. He knew that I was returning to Washington. Of course I went to his office. I was there presented to a splendid looking chap, a man of very high culture, as Dr. K. A. Fuehr. Mr. Viereck said: "I suppose you know Dr. Fuehr is at the head of the great Transcendental News Service." I said: "I never heard of him." And he said, then: "Oh, they have beautiful offices up at Fortieth Street and Fifth

Avenue." Well, that was interesting. Dr. Fuehr then said to me with some fulsome flattery, that he had kept in close touch with me through Mr. Viereck, and that I had been very helpful to him in the Trans-Ocean News Service; that the war would soon be over and that he would like very much indeed for me to take over—that when this \$40 business came out—that he would like very much for me, now, to take over regularly the Trans-Ocean News Service; that he regretted that his financial arrangements were such that he could not, at the moment, offer me more than the \$40 a week that I had been getting. I spoke up and said: "I have been getting \$30 a week"; and there was great confusion in Mr. Viereck's face in his manner, and he said: "Well, Mr. Schraeder will explain that to you." He has been holding out \$10 a week on you to use for some party down in Washington that I knew nothing of." "Oh," I said, "that is all right."

So he said: "When this war is over, and I shall go back home, I would like to have you become our American manager."

Senator OVERMAN. That is what Dr. Fuehr said?

Mr. DICKINSON. That is what Dr. Fuehr said.

I said: "That is entirely legitimate, Doctor. Of course, the war will soon be over. He kept us out of the war. The American people have decided on that." The armies, then, were at least at stalemate on the western front, and I believe that the consensus of public opinion was that the war was hurrying very rapidly to a close.

He said: "I shall not be in the city a great deal. I frequently go out. Mr. Viereck is my assistant, and I wish you would continue under the present arrangement of sending your letters whenever you have one to write to Mr. Viereck so that he may handle whatever value there may be in them over the wires to Germany, to Berlin."

I said: "All right."

He said: "Now, since this arrangement is under your name, just continue that and there will be no confusion here, in Mr. Viereck's books"; and I very foolishly accepted that, without any suspicion in the world of what, ultimately, they were up to, which I found out long afterwards, which I hope to explain to this committee.

That is that transaction, sir.

Maj. HUMES. Do I understand you to say that up to this time you had no knowledge of the commission which had brought Dr. Fuehr to this country?

Mr. DICKINSON. Absolutely none. I never heard of the matter before, and permit me here, if you please, to interject this. Capt. Lee said that I went to New York to meet Albert and others. I never saw Dr. Albert in my life.

Maj. HUMES. But you did meet Dr. Fuehr?

Mr. DICKINSON. I did meet Dr. Fuehr on this occasion that I told you of and met him twice after that.

Maj. HUMES. Dr. Fuehr and Dr. Albert occupied offices in the same quarters practically?

Mr. DICKINSON. I knew absolutely nothing about it, sir.

Maj. HUMES. But you did meet Dr. Fuehr?

Mr. DICKINSON. I did meet Dr. Fuehr under the circumstances that I have mentioned.

Maj. HUMES. Had you not met Dr. Fuehr prior to that time?

Mr. DICKINSON. I never had met Dr. Fuehr, though Mr. Viereck said to me, in the introduction: "You have met Dr. Fuehr once or twice before"? I said: "I do not remember meeting Dr. Fuehr, here."

Maj. HUMES. And from that time your employment was from Dr. Fuehr, but the arrangement was that the letters were to be addressed to Viereck?

Mr. DICKINSON. Yes.

Maj. HUMES. And by Viereck delivered to Fuehr?

Mr. DICKINSON. To be handled—yes, sir.

Maj. HUMES. If your employment was from Fuehr, and Fuehr wanted the information——

Mr. DICKINSON. Yes.

Maj. HUMES (continuing). Why was it addressed Viereck?

Mr. DICKINSON. Because he explained to me, sir, that he was out of the city a great deal, and Viereck was associated with him in the Trans-Ocean Service, and if he was out of the city Mr. Viereck would know what to do with whatever information of value there might be in the letters.

Maj. HUMES. When did you next see Dr. Fuehr?

Mr. DICKINSON. I can not recall, exactly. I remember a rather sensational meeting I had with him. I saw him once or twice in his offices at Fortieth Street and Fifth Avenue, magnificent offices with a sign on the door "Trans-Ocean Service," I think I saw him twice, until my final meeting with him.

Maj. HUMES. For what purpose did you go to see him?

Mr. DICKINSON. I was in New York, and naturally went around to see him. He was not only a very pleasant gentleman, but the man whom I was serving.

Maj. HUMES. Did you not meet him at his request, for the purpose of taking matters up with the Government?

Mr. DICKINSON. Yes, sir; I met him at his request to take up with Secretary Daniels—which I did—the liberalizing of the Sayville wireless station.

Senator OVERMAN. Taking up what?

Mr. DICKINSON. The Sayville wireless station. The German newspaper representatives in this country, so it was represented to me, were using the Sayville wireless station under very strict censorship of the Navy Department, to get news to Germany, and Dr. Fuehr and Viereck asked me if I would not take it up with Secretary Daniels. That, by the way, was the only time they paid my expenses for going to New York and coming back to Washington. I took the subject up with Secretary Daniels, telling him I was the representative of the Trans-Ocean News Service. I have forgotten what Secretary Daniels concluded.

Maj. HUMES. What was the character of information that you were to furnish to Mr. Viereck and Dr. Fuehr, under your arrangement?

Mr. DICKINSON. Oh, anything that I regarded as of any sort of value; and I sat down and wrote a lot of rot. I used many foolish expressions. You have all those letters there. I wish you would read them. I turned those letters up to the Government myself.

Senator OVERMAN. You say that you wrote a lot of rot?

Mr. DICKINSON. Oh, Senator, I used, naturally, in writing of sort, a lot of foolish expressions about men and measures. I am American. I have been a man of free habits and free speech my life.

Maj. HUMES. When did you deliver those letters to the Government, and to whom did you deliver them?

Mr. DICKINSON. Do you want me to tell that? Shall I tell here?

Senator OVERMAN. Answer the question asked.

Mr. DICKINSON. Various questions—when the so-called leak investigation was up—do you want me to introduce this here, then?

Maj. HUMES. Answer the question.

Mr. DICKINSON. When various persons were accused by the papers of the land of being the author of what became known as a leak note, among the persons so accused were Mr. Joseph P. Tumulty, the President's confidential friend and secretary, and the President's own brother-in-law. I can not recall the host of names that were mentioned, now, of those who were then accused. I sat around hearing and watched that thing for some time.

Senator NELSON. Was not Mr. Baruch one of them?

Mr. DICKINSON. Yes; I will come to Mr. Baruch presently. I watched them some time, and they were not getting anywhere. I said to myself, "I wonder"—sometimes I have saved copies of things if there happens to be a black sheet near my typewriter at home. Usually I do not. Well, I rooted around and rooted around, and could not find it, and I said, "I will go to Bob Henry, anyhow."

Senator NELSON. To whom?

Mr. DICKINSON. Mr. Henry, who was then chairman of the Committee on Rules of the House of Representatives, which committee was then investigating the so-called leak matter.

I went to Henry first at his home in the Burlington apartment house. He looked at me in amazement. He said, "Dickinson, is it possible you did that?" I said, "I did, and I wrote it on the 15th of December, and the President's peace note was written on the 15th of December." He said, "That is most remarkable." He said, "Can you find a copy?" I said, "That is it, Bob; I do not know where I can or not." I remembered then that I had written to Viereck two forms of notes. One was not satisfactory; it may have been a little too positive or not positive enough, and I shoved one of them off. I wrote out—which note you must have there, sir, if you have both of them; and in rooting around in an old drawer at home where I kept my old typewriter, thank God, I found that note. I did not take it directly first to Mr. Henry. I took it first to Tumulty in the White House, who was then smarting under the sting of the accusation. With great agitation and gratitude he said, "Of course you are going to turn that up." I said, "Yes, I am; I am going to turn it up right now, because I went to him last night and told him about this."

I went up to Henry and I handed him the copy and I said to him, "There is absolutely nothing legitimate in this note. I figured it out, just like Mr. Barney Baruch says he doped it out. I am on the stand and I will testify to that, and maybe that will save me from unjust accusation." He then put me in conference

two lawyers, Mr. Whipple, of Boston, and his young assistant. I said, "There it is."

I have never heard from that note from that day until this, until I heard that Viereck's offices had been raided. That is the note that I am accused of boasting about.

I wrote the same note to a Wall Street client of mine. I shall give that name here to the committee if the committee wants to know it, and investigate it. If I connect it here, the newspaper press will say that those great financiers, patriotic American citizens, were part of the German spy system with me. So that is the history, gentlemen, of the so-called leak note.

Senator NELSON. Who was the German banker you referred to?

Mr. DICKINSON. Not a German banker, sir. On the contrary, not a German financier.

Senator NELSON. Who was he?

Mr. DICKINSON. Must I tell it here?

Senator OVERMAN. Answer the question.

Mr. DICKINSON. Mr. John F. Harris, of Harris, Winthrop & Co., 55 Wall Street. I represented them here, sir, legitimately. I wrote him the same note, expecting as the result of it, if it was true, that he would get rich.

But now let me tell these circumstances, which I know will be testified to if you want that. The peace note of the President was delivered December 18, before the Congress of the United States. Wednesday evening was December 11. That is the way I can accurately fix the date in my mind. On that occasion there was dining with me a gentleman who was then of the grade of commander in the United States Navy. He is now a captain. His name is Charles Conard, and he is stationed at the Washington Navy Yard. I had contact with him in a telephone call. I do not say anything about that, although in another statement I made a mistake, and stated it was Viereck, but it was not Viereck that I called up, it was John F. Harris, as Capt. Conard will testify. I was uneasy lest I had gone wrong. I had gone around town that day, and I could not get any hint that the President was going to deliver his peace note the next day. As soon as I got home I put in a telephone call to Mr. John F. Harris at the Plaza Hotel in New York, and in my eagerness I would go to the telephone once in a while, in the presence of Capt. Conard, and ask if they could find Mr. Harris. He kept quarters in the Plaza in the winter. They could not find him. The best information they could give was that he would not be there that night. I then told Conard what I had done. I said to him, "I am afraid John Harris will bust himself. I must call him up some way, and let him exercise his own judgment."

The next day Conard ragged me all over the club because I had said the note was going to be delivered by the President, and I got cold feet.

Senator NELSON. What was the interest in the peace note?

Mr. DICKINSON. Wall Street was not interested in the peace note. Mr. Bernard Baruch testified, like the man he was, before the leak investigation, that he reasoned it out along the lines that I did, apparently, and that he made out of steel stocks alone \$500,000.

Senator OVERMAN. Who was it that ragged you about that?

Mr. DICKINSON. Capt. Conard. He was joking me about it in that way; that if I had stood pat I would have been a rich man.

Senator NELSON. Mr. Baruch reasoned that out?

Mr. DICKINSON. Yes; he just exercised his judgment on it.

Senator NELSON (continuing). That it was coming, and he made half million dollars out of it?

Mr. DICKINSON. He so testified before the leak investigating committee.

Senator NELSON. Yes.

Mr. DICKINSON. I do not know; he did not say how much he made in other stocks. My recollection is that he made it out of steel and iron. That is the note that Capt. Lester says I boasted about. I would you would call Capt. Conard, if you have any doubt about my word. I told him about it. I have not seen him or spoken to him about it. I have seen nobody since I returned to Washington, under this disgraceful and wholly unfounded charge.

Maj. HUMES. That is the one letter you delivered, then, to the Government; the only letter, about the leak investigation?

Mr. DICKINSON. Yes; will you let me explain why I delivered it?

Senator OVERMAN. I think you have fully explained why you delivered that?

Mr. DICKINSON. It dawned upon me then that that Viereck crowd had been using me, without my knowledge, for the purpose of financing their criminal German propaganda through Wall Street; so there was a double reason I had for turning it over to the chairman of the Committee on Rules, which was investigating the leak.

Senator NELSON. Was there a leak?

Mr. DICKINSON. No, sir; I merely doped it out, to use a common vulgar expression. The note will show for itself. The gentlemen have all those things.

Senator NELSON. You represented that there was a leak; but as a matter of fact, there was not?

Mr. DICKINSON. I did not use the term——

Senator NELSON. You used the term "doped."

Mr. DICKINSON. I used the very common and vulgar word "doped."

Senator NELSON. What was it you doped out?

Mr. DICKINSON. I simply reasoned it out that the President was going to act along that line, and Congress then was adjourning. I see——

Senator NELSON. You reasoned it out, just like Baruch did?

Mr. DICKINSON. Just about, sir. I claim no credit for that.

Senator NELSON. You and he were reasoning on parallel lines?

Mr. DICKINSON. It seems so. I had no relation with Mr. Baruch. I only knew him in a casual way.

Senator NELSON. But you were both good guessers?

Mr. DICKINSON. Yes, sir; it turned out that way.

Maj. HUMES. Do you remember the day that you turned this leak over?

Mr. DICKINSON. I do not, sir. It was in the midst of the so-called leak investigation, and that investigation was in March.

Maj. HUMES. Did you take this matter up with Mr. Viereck?

Mr. DICKINSON. No, sir; I did not take it up with Mr. Viereck.

Maj. HUMES. Did you not call up Mr. Viereck on the telephone and discuss with him the question as to whether or not you had communicated with him on this subject?

Mr. DICKINSON. No, sir; I did not. I will show you the only other communication I had directly or indirectly with Mr. Viereck presently. The telegram must have come in midweek, if I sent it when Fuehr was not there. I have absolutely no recollection of the incident.

Maj. HUMES. I call your attention to a photostat of a carbon copy of a letter addressed to you at the National Press Club, at Washington, D. C., from Mr. Viereck, dated February 6, 1917, which reads as follows:

FEB. 6TH, 1917.

MY DEAR MAJOR DICKINSON: You told me over the phone to-day that you may be called as a witness in the "leak" inquiry and asked me if I remembered our having informed me of the President's action. I have no recollection of our having given me any specific information on the subject whatsoever.

I am glad to be of service to you and if this letter will be of any assistance you have my permission to use it.

Sincerely, yours,

Major J. J. DICKINSON,
National Press Club,
Washington, D. C.

Mr. DICKINSON. I do not remember ever receiving any such letter. I may have received it. I had no telephone communication. It is the most obvious thing in the world why I should not have telephone communication with a man like him.

Maj. HUMES. You have no recollection of having called him on the telephone?

Mr. DICKINSON. Mr. Viereck wrote me many curious letters; letters that are curious in the light of this development.

Maj. HUMES. Now what other letter did you turn over to the Government?

Mr. DICKINSON. That is the only one I recollect, sir; the only letter I have of any value.

Maj. HUMES. If this letter was written by Mr. Viereck and if you did call him on the telephone——

Mr. DICKINSON. I do not remember receiving it at all.

Maj. HUMES (continuing). You called him at a time that you were in the employ of Fuehr rather than Viereck, did you not?

Mr. DICKINSON. I was in the employ of Fuehr in March? No, sir; I was not.

Maj. HUMES. That is February, 1917?

Mr. DICKINSON. This is February, 1917. I was not even in his employ then.

Maj. HUMES. In December, when this alleged "leak" occurred, you were in the employ of Fuehr?

Mr. DICKINSON. Yes, sir; yes, sir; yes, sir.

Maj. HUMES. In order to refresh your recollection, I show you what purports to be the last check you received——

Mr. DICKINSON. Signed Viereck?

Maj. HUMES. From Mr. Viereck, dated February 5, 1917.

Mr. DICKINSON. \$40, I suppose that was.

Maj. HUMES. That was the end of your employment?

Mr. DICKINSON. Yes, sir. I will tell you about that, too, if you want to know. It is all set forth in the letter to Gen. Churchill.

Maj. HUMES. I call your attention to photostats of what purport to be the letters, or at least a portion of the letters, that you wrote to Mr. Viereck.

Senator OVERMAN. Maj. Humes, probably there will be some of these letters here after awhile.

Maj. HUMES. Yes. Mr. Dickinson, I ask you to look them over and tell us whether or not those are the letters which you wrote.

Mr. DICKINSON. That I can say offhand. This letter sounds like me. I want to say here that every letter I wrote to Viereck, with the possible exception of one or two hurriedly scribbled notes, were written either on my own typewriter at home, a Royal typewriter, or a Royal typewriter at the National Press Club—or whatever typewriter may be. Sometimes the Royal typewriter was not to be had there, and I would pick up the first I could get hold of.

I am charged here, however, gentlemen, in your records, with having written all these letters to Viereck in a crumpled, disguised handwriting. I could not hope to inflict a greater punishment upon my worst enemy than to write him a long letter in longhand and force him to read it. It is in the record that I wrote all these letters in a crumpled, disguised hand. Give me your letters.

Maj. HUMES. You have replied to it; and if it is so, we are not to say it is not correct, they were not written in a crumpled hand, and if such a statement is in the record it is there from inadvertence or error.

Mr. DICKINSON. Yes, sir; I should say it was in error. I will have my own official record here to show you that it was said, that all these letters were so written by me.

Maj. HUMES. I think that is of no particular consequence.

Mr. DICKINSON. I think it is of great consequence to me, sir.

Maj. HUMES. The fact is they are not written in your own handwriting.

Mr. DICKINSON. Yes, sir. But it was stated that I had written them in a crumpled, disguised longhand, and that statement was made for an object.

Maj. HUMES. We will look that up at our leisure. As I understand it, the National Press Club was your headquarters in connection with this matter, where you got your mail and wrote these letters.

Mr. DICKINSON. No, sir, it was not my headquarters. I received some letters there and some at my house and some at another place which I belonged to, which you are trying to get me in dispute with.

Maj. HUMES. I notice that the letters are, many of them, on the letterhead of the National Press Club.

Mr. DICKINSON. The paper and the typewriters are there for the use of its members.

Senator NELSON. In your letter of June 4, of which I have a copy here—

Mr. DICKINSON. Yes, sir.

Senator NELSON (continuing). It begins with this statement addressed to Mr. Viereck: "Please note by the above that I am now receiving my mail at the National Press Club instead of the Army and Navy Club as heretofore."

Mr. DICKINSON. Yes, sir.

Senator NELSON. "The reason being that I find it more convenient to use the first-named club, in doing my work, than the latter."

Mr. DICKINSON. Yes, sir; because the typewriters are there. There are no typewriters at the Army and Navy Club, sir. And they are loyal typewriters there; yes, sir. That explains, then, why communication thereafter came to the National Press Club.

Maj. HUMES. Mr. Dickinson—

Mr. DICKINSON. Senator Nelson seems to have a question, sir.

Senator NELSON. Oh, no; I am through. Go ahead. I am just adding for my own information.

Maj. HUMES. What were the sources of information that you relied yourself of in order to write these letters?

Mr. DICKINSON. My own head and judgment, sir, mainly.

Maj. HUMES. Entirely speculation?

Mr. DICKINSON. Very largely, and intended so to be.

Maj. HUMES. It was not based upon personal interviews and—

Mr. DICKINSON. Oh, some of them may have been.

Maj. HUMES. Possibly confidential information?

Mr. DICKINSON. I had no confidential sources of information, sir. You charge the Government with a very foolish criminal act when you say I had confidential sources of information. I may have inquired of them that I got this in confidence—a very common thing for a newspaper man to do.

Senator NELSON. Your statement here, in your letter of June 4th, is not true, "I had a long talk, somewhat startling, frank, this morning, with a cabinet officer on this whole subject."

Mr. DICKINSON. I may probably have had a talk and may not have had, sir. If you will read the full context of the letter—

Senator NELSON. It is a long letter. I simply refer to it.

Mr. DICKINSON. I may have had and may not have had.

Senator OVERMAN. You would not have stated it if you had not had it?

Mr. DICKINSON. Oh, for some purpose of getting the confidence of Viereck, which I was always trying to get, to find out what he was up to; he was too shifty for me.

Maj. HUMES. You got the man's confidence?

Mr. DICKINSON. I never did get his confidence. He was too crafty for me. Schrader was my man, whom I had, because I had the most confidence in Fred Schrader. I do not know whether the Government has gotten after him or not.

Maj. HUMES. In view of your statement you made a moment ago, that is my recollection—and if I am not right we can determine that later—that the testimony to which you refer with relation to the handwriting was that the letters were signed in a crumpled handwriting?

Mr. DICKINSON. I will read from the official record.

Maj. HUMES. I call your attention to this letter of October 24, and ask you if you would not call that signature somewhat crumpled?

Mr. DICKINSON. Yes, sir. I write a crumpled hand.

Maj. HUMES. And it is signed Josiah Wingate?

Mr. DICKINSON. Yes, sir. I do not know whether that is my letter or not. I have not read it. They put over a lot of letters on me, for

a purpose, that I will develop pretty soon, sir. I am not denying letter. I did not even know its contents or its date.

Maj. HUMES. I understood you to identify these letters.

Mr. DICKINSON. For your purposes I will identify them all ahead; and then when they come up if I can not prove to you was a letter put over on me, I stand guilty.

Maj. HUMES. I do not propose to read these to you one after other. I want to identify them all, and I wish you would look over and advise us as to whether or not those are your letters.

Senator OVERMAN. Look them over carefully.

Mr. DICKINSON. It will take me some time. Yes, that letter I have been mine, this letter telling him of the change of my address. Here is another letter signed in typewriter.

There is a matter that I remember writing about, and I want to tell you and the committee about that directly—that name I have been able to recall it before, sir.

(Mr. Dickinson turned over a number of letters and in so doing made the following statements:)

Yes, sir. I must assume that everything on National Press paper was written by me.

Some of them necessarily are not written by me.

I know what has been going on about me since this thing.

Maj. HUMES. We have no desire to use any letter that we are sure is your letter, Mr. Dickinson.

Mr. DICKINSON. Yes, sir.

This looks like mine, from the correction I have made—that mine, sir. It looks very much like my typewriting. And so is this. I do not know what it is. Yes, sir. Yes, sir. Yes, sir. I wrote this party anyway. Expressed my sentiments. I hope will read it.

Maj. HUMES. I have. Your wish has been gratified.

Mr. DICKINSON. Yes, sir. I remember those letters now.

Senator OVERMAN. Mr. Dickinson, would you go over with Maj. Humes all these letters and identify them, that is, those that you

Mr. DICKINSON. Yes, sir.

Senator OVERMAN. Major, I am going to adjourn this committee for the reason I have to be in the Senate about 12 o'clock, until past 2. You may go ahead now with anything else until that

Maj. HUMES. You have identified them?

Mr. DICKINSON. Oh, up to this point. I am not denying. I only looking them over in a general way.

Senator NELSON. You can go over the whole of them now, until we meet again.

Maj. HUMES. He is practically through with them. We will be through in a little while.

Mr. DICKINSON. That looks like my scratching.

This looks like my erasure.

Senator OVERMAN. I am going to leave the stenographer here with Maj. Humes and let you identify all these letters, or refuse to identify them as you may, and then we will meet here at half past 2, then we will proceed with this investigation. The committee is adjourned now until half past 2.

Mr. DICKINSON. This looks like my writing. What is that?

other possible purpose that I may have to resort to here. This is a letter—

Senator OVERMAN. Show the letter to Maj. Humes before you read it.

Mr. DICKINSON. Yes, sir. [Handing the letter to Maj. Humes.]

Maj HUMES. This is a letter of good will, really, and of personal confidence, I assume.

Mr. DICKINSON. Of course I have many friends who have written to me in a similar vein to this. I do not introduce this in the hope that it will be bolstering up my character, which has been attacked, but for another purpose which it may be necessary to resort to in this proceeding.

The letter reads:

[Duval West, Judge, United States District Court, Western District of Texas.]

SAN ANTONIO, TEXAS,
December 14, 1918.

December 13 the attack was made on me. [Reading:]

Major J. J. DICKINSON,
Washington, D. C.

DEAR DICK: I see by the San Antonio Express this morning, from the Associated Press wires reporting statements made before a committee of inquiry before Congress, that your name figures as that of one who assisted Viereck in German propaganda. This has distressed Mrs. West and myself greatly, more because it will prove a source of worry and annoyance to Mrs. Dickinson than for any effect it might have upon you otherwise. Of course, for those who know you as I do, the vague and shadowy insinuations, appearing mostly in the headlines, are not worthy of the slightest consideration. I assume that you do care for the opinions of those who know you, and it is only for that reason that I am taking the first opportunity of mentioning the matter. For those who don't know you, and never will, you probably don't give a continental.

You will, of course, perceive that the main purpose of this letter is to advise you of a very unnecessary thing—that is, that the friendship of a lifetime and my intimate knowledge of your generous characteristics and unbounded patriotism prompt me to take my stand by your side when unjustly accused, and to authorize you to use my name without reservation and without limit, in full voucher for you as a man and an American.

I hope you will not take this matter too much to heart, or let it worry you, and in the meanwhile let me know in what way I can serve you.

Yours always,

. DUVAL WEST, *District Judge.*

I say I introduce that merely to lay the groundwork for another matter that it may be necessary to bring out.

Maj. HUMES. I believe you have stated that all of the money you got came from Mr. Viereck; that is, your regular stipend, your weekly stipend, came from Mr. Viereck?

Mr. DICKINSON. I said it came from Mr. Schrader. I knew it was Mr. Viereck's money—that is, I assumed it was.

Maj. HUMES. But the checks are Viereck's checks?

Mr. DICKINSON. May I ask you, Major, if you have no checks at all?

Maj. HUMES. I have.

Mr. DICKINSON. I received checks from Viereck only after I took over the Trans-Ocean News Service, and had a row about that.

Maj. HUMES. To refresh your recollection, I show you a number of checks in January and February, 1917.

Mr. DICKINSON. Yes, sir, that is when I was representing the Trans-Ocean News Service, and getting the checks.

Maj. HUMES. They are all from Mr. Viereck?

Mr. DICKINSON. I got one from Viereck, over which I had a note.

Maj. HUMES. If you were an employee of Dr. Fuehr and the Trans-Ocean News Service, did you not think it was strange that this indebtedness was being liquidated by Mr. Viereck?

Mr. DICKINSON. In the light of developments it does seem strange. I tried to explain this morning why it was Viereck and not Schuler who was thereafter to send me the checks. If I have not made that plain, I will restate it. I think if you get hold of my record and do not want to encumber it too much——

Maj. HUMES. I think you stated the reason why you sent the letter to Mr. Viereck, but you did not state why you received the checks in this manner.

Mr. DICKINSON. I am very glad of the opportunity to explain that, although I am confident I did it this morning. In my arrangement with them, Dr. Fuehr—whom I had never seen until that occasion—said that he was out of the city a great deal, that Mr. Viereck was associated with him in the Trans-Ocean News Service, that Mr. Viereck was the judge of the news value of whatever I should send them, and that Mr. Viereck should exercise his judgment when he was not there, in order that the stuff might be expedited. Dr. Fuehr was out of town. I said that this morning, and I repeat it.

Maj. HUMES. When did you first discover that Dr. Fuehr was a representative of the German Government?

Mr. DICKINSON. I discovered it when I saw his name in the list of those persons who left this country, I think with Ambassador von Bernstorff.

Maj. HUMES. Did it occur to you when you went to Secretary Daniels to undertake to straighten out the Trans-Ocean News Service and the regulations of the Sayville station, that you were doing that at the request of a representative of the German Government?

Mr. DICKINSON. It did not, sir.

Maj. HUMES. I call your attention to a sentence from the letter which you addressed to Gen. Churchill, and to which you referred this morning.

Mr. DICKINSON. Yes. Please let me get that letter.

Maj. HUMES. Paragraph 15 of that letter. I read the following——

Mr. DICKINSON. Paragraph 15?

Maj. HUMES. Yes. I read as follows:

On two or three occasions I now realize Viereck subtly invited me to assure him that I could be entrusted implicitly to work with him for the German cause.

Mr. DICKINSON. Yes.

Maj. HUMES. If this was purely a private enterprise, why was Mr. Viereck asking for assurance of loyalty in supporting his effort to help the German cause?

Mr. DICKINSON. The statement explains itself, if you will be good enough to read that whole paragraph; the context explains it. Shall I read it?

Maj. HUMES. You can read it if you so desire.

Mr. DICKINSON. Paragraph 15?

Maj. HUMES. Yes; that is the one I was referring to.

Mr. DICKINSON (reading):

I recall an occasion, I think during the presidential campaign, when St. John Gaffney, who had been removed as U. S. Consul at Munich because of his pro-Germanism, left Viereck's office just as I entered. I had known Gaffney for good many years, but when I hailed him as he was doing out a side door he either did not hear me or pretended not to hear me and did not respond to my salutation. I remarked upon this to Viereck, and he told me that Gaffney had been telling him for some time not to trust me too far, that I was probably assigned by the State Department to spy upon Viereck and his confreres. I laughed at this, and after I left Viereck the statement as to Gaffney's assertion caused me to reflect upon the habitual attitude of Viereck and others under him toward me.

Permit me to remark, there, that Mr. Schrader's attitude never was that way. [Continuing reading:]

I realized then that I was distinctly distrusted. On two or three occasions I now realize Viereck subtly invited me to assure him that I could be trusted implicitly to work with him for the German cause.

I realized that after I began to summarize my relations with the man. That is what, of course, that means. [Continuing reading:]

Where he approached me in this manner I always repelled him, coupled with the assurance that I was neither pro-German nor pro-Ally in the factional sense; that I was merely pro-American and believed that President Wilson could keep us out of the European war.

Maj. HUMES. Do you not, in that letter, say that you came to that realization the day that you met Gaffney at Viereck's office?

Mr. DICKINSON. That is what called it to my attention.

Maj. HUMES. And at that time you realized that Viereck had been asking you to assure him of your loyalty to the German cause?

Mr. DICKINSON. I did not say "assure." Shall I read it again, sir, so as to be perfectly clear? I assume the record will have the thing literally, however?

Maj. HUMES. Well, "trusted," to work with him in the German cause is the word that you used.

Mr. DICKINSON (reading):

He pretended not to hear me, and did not respond to my salutation. I remarked on this to Viereck and he told me that Gaffney had been telling him for some time not to trust me too far, that I was probably assigned by the State Department to spy upon Viereck and his confreres.

If you will permit me, I will explain, there. Obviously Gaffney was still under the impression that I had some connection with the State Department, which I did not have at that time. [Continuing reading:]

I laughed at this, and after I left Viereck the statement as to Gaffney's assertion caused me to reflect upon the habitual attitude of Viereck and others under him towards me.

I remarked here this morning that I was always trying to get the man's confidence. I would not insult the intelligence of this committee by saying that I was not suspicious at the last.

Maj. HUMES. You did know, at that time, that Viereck's cause was the German cause, did you not?

Mr. DICKINSON. Yes; and we were at peace.

Maj. HUMES. And you were proposing to help Viereck in every way that you could?

Mr. DICKINSON. I was proposing to help Viereck preserve the peace, as I have said here. I told you that.

Maj. HUMES. Preserving the peace at that time was working for the German cause, was it?

Mr. DICKINSON. From his viewpoint it was working for the German cause, yes; as well as ours.

Maj. HUMES. And the German propaganda, at that time, was to keep the United States out of the war?

Mr. DICKINSON. So far as any propaganda I am aware of, yes.

Maj. HUMES. Now, I call your attention, also, to paragraph 13 of this letter:

I have realized that they were attempting to use me for a sinister purpose.

Mr. DICKINSON. Paragraph 13, you say?

Maj. HUMES. Yes; the third line I am reading from:

I did not realize it at the time, though frequent suspicions would arise in my mind.

Mr. DICKINSON. Yes.

Maj. HUMES. Now, with your recollection refreshed in that particular, do you still say that you did not know that Dr. Fuehr was an official representative of the German Government at the time he had these negotiations with him?

Mr. DICKINSON. I did not, sir.

Maj. HUMES. Or at least that you were not suspicious that he was so connected?

Mr. DICKINSON. I did not, sir; and I think in fairness that I should be permitted to read that full paragraph. Will you permit me to do so?

Maj. HUMES. Very well.

Mr. DICKINSON. Paragraph 13 reads:

In view of the events that have followed my relations with Viereck through Viereck with Dr. Fuehr, I regret very much that I ever had any connection with them. I have realized that they were attempting to use me for a sinister purpose. I did not realize it at the time, though frequent suspicions would arise in my mind. In the light of the revelations showing the amount of money that Viereck must have had at his disposal I confess that I reflect upon the small compensation I received, that I feel as if I were not only a fool but a veritable "piker."

I meant, gentlemen, that I now realized it in the light of developments.

Maj. HUMES. You did have suspicions at the time, did you not?

Mr. DICKINSON. I would not try to insult the intelligence of anybody by saying that I did not have suspicions latterly.

Maj. HUMES. Did you make any inquiry or investigation to verify those suspicions?

Mr. DICKINSON. I depended wholly upon Fred Schrader as a man of honor, and he was always assuring me that his money was in the Fatherland and that it was intended to be a permanent publication.

Maj. HUMES. Did you ever ask Schrader who Dr. Fuehr was?

Mr. DICKINSON. I had never known Dr. Fuehr until I met him on that occasion, and I do not think I have ever seen Schrader since that time to talk with him, except when he was very angry with me.

Maj. HUMES. Then from whom else did you undertake to secure information when you became suspicious?

Mr. DICKINSON. Nobody at all.

Maj. HUMES. Then your suspicions were not sufficient to move you to any action?

Mr. DICKINSON. Except to keep a wary eye out, yes.

Maj. HUMES. What did you think this Trans-Ocean News Service was?

Mr. DICKINSON. Is that the end of your question, now?

Maj. HUMES. Yes.

Mr. DICKINSON. The Trans-Ocean News Service was represented to me as the American end of what was being quoted always as the Over-Seas News Agency. It figured in our Associated Press dispatches, and in all dispatches from Europe. That is what it was represented to me to be.

Maj. HUMES. You knew that they had the wireless station at Sayville?

Mr. DICKINSON. I had always been told that every wireless station was plugged up tight, and under the very strictest surveillance of the Navy Department.

Maj. HUMES. Why was that done? Why were these wireless stations closed?

Mr. DICKINSON. I have no idea, sir. The official mind understood that.

Maj. HUMES. Now, Mr. Dickinson, besides writing these letters giving Mr. Viereck certain information, did you interest yourself in the course that should be pursued by Viereck and by those that Viereck was associated with in a public, political way?

Mr. DICKINSON. Oh, I naturally did, to some extent, sir. I used obvious methods, though, to arrive at that result.

Maj. HUMES. On June 23, 1916, you close a letter by saying:

Let us do something to reveal this whole damnable business—and do it quickly. I am willing and anxious to serve in this cause in any capacity to which I may be assigned.

Mr. DICKINSON. Yes.

Maj. HUMES. What does that mean?

Mr. DICKINSON. If you will please read the letter, I will tell you.

Maj. HUMES. I will read the whole letter, then.

Mr. DICKINSON. Very well; I hope you will.

Maj. HUMES. The letter is as follows:

THE NATIONAL PRESS CLUB,
Washington, June 25, 1916.

DEAR MR. VIERECK: I suppose that you have inferred from my last letter that I am crazy, and that this accounts for my not having heard from you. I still believe, however, that the H. G. Wells book could be used to excellent advantage in the way of checking what I perceive to be a drift, backed by the most powerful political influences in America, toward a break with Germany. In Wells's "New Worlds for Old" and Howe's "Socialization of Germany" there are plain statements of actual facts which would define to the average American intelligence in sharp outline the differences in the two peoples and civilizations in such a way as to cause a shifting about of relations in this country. We Americans are not the fools the financiers and politicians take us to be.

As further evidence of my conviction of a shrewdly devised scheme to tie us to the body of a corpse—England—is the propaganda started by the Wilson forces to place the blame for the extremely embarrassing situation in Mexico upon Germany. For several days I have observed the growth of this movement, and I now predict confidently that within a short time the whole press will take up this foolish cry. I am prepared to believe that naturally German

diplomacy has concerned itself sharply over the situation in Mexico and of its relations and purposes. But that Germany has contributed to the danger of the crisis that now confronts the Administration I do not and cannot believe. The Administration has only its own incompetency to blame for this. But, of course, if Germany can be made the scape goat it will serve to bolster up the hyphen plank of the St. Louis platform.

Keep your eye on the dispatches from Washington in the newspapers for a week or two, and then tell me if you think I am crazy or not.

If the hyphen does not see what is threatening him and this country is blinder than I had thought him to be.

Let us do something to reveal this whole damnable business and do it quickly. I am willing and anxious to serve in this cause in any capacity in which I may be assigned.

Faithfully,

JOSIAH WINGAT

Mr. DICKINSON. Yes. I dare say I wrote that letter, and made it so vehement for a purpose.

Senator NELSON. What was the damnable purpose you refer to?

Mr. DICKINSON. I do not remember just what it was. Something was going on at the time. I was never pro-British in my life.

Senator NELSON. Was it going on here or elsewhere?

Mr. DICKINSON. It must have been going on here or elsewhere. I was never pro-British in my life. I am more nearly pro-British now than I ever was.

Maj. HUMES. You also communicated to Mr. Viereck activities of the War Department along preparation lines, did you not?

Mr. DICKINSON. I expect I did. The newspapers were doing so every day.

Maj. HUMES. Was that information that was publicly announced from the War or Navy Departments?

Mr. DICKINSON. No more than it was in the daily newspapers. I had no inside information.

Maj. HUMES. If it was publicly announced in the newspapers, was it necessary for you, under this nom de plume, to communicate to Mr. Viereck, who already had the information?

Mr. DICKINSON. That answers itself. Because I wanted to do something probably, and had nothing else to write about. Are those the letters that I have identified?

Maj. HUMES. Yes.

Mr. DICKINSON. I just hurriedly looked over them and saw that they were my typewriting.

Maj. HUMES. Yes; I am confining it to the letters that you have identified.

Mr. DICKINSON. Yes.

Maj. HUMES. You also communicated on July 20 with Mr. Viereck, and told him that the American Navy had secret orders, secret instructions, to work against Germany, did you not—against the central powers?

Mr. DICKINSON. I do not remember any letter of that sort, and I doubt exceedingly that I wrote any.

Maj. HUMES. This is one of the letters that you identified this morning.

Mr. DICKINSON. I would have had no information as to secret orders of the American Navy. I would have had no access to such information.

Maj. HUMES. I will read it to you.

Mr. DICKINSON. I wish you would read it out.

Maj. HUMES (reading) :

NATIONAL PRESS CLUB,
Washington, D. C., July 20, 1916.

MY DEAR MR. VIERECK : Nothing of the same relative importance has occurred since the opening of the war in Europe as the U-boat inquiry at Baltimore promises. If the *Deutschland* shall be captured or destroyed by a vessel of the Allied powers, the fault will be ours. No sophistry of international comity can relieve of this responsibility.

I wonder if you have thought of this? I also wonder if your associates have given the subject such careful thought as may result in a just judgment of our obligations?

Who were Mr. Viereck's associates that you referred to?

Mr. DICKINSON. Schrader and others; his editorial advisers.

Maj. HUMES. What is "and others"? Who were the others? Dr. Huehr, was he one of them?

Mr. DICKINSON. No, sir. Mr. Coleman, formerly the financial writer on the New York Herald, associated there with me, Schrader, Coleman, and Viereck.

Maj. HUMES. I proceed with the letter [reading] :

Our Navy has been secretly instructed to work against the interest of the Central Powers. A considerable element of the Navy, whom I happen to know personally, is opposed to discrimination between the nations; but most of this element is favorably inclined toward the Teutonic element.

If we can arrange to get together the various elements, which in detail may be opposed to the British programme but which may endorse our general programme without admitting that they do so, I am confident that we may accomplish something worth while.

Faithfully, yours,

JOSIAH WINGATE.

Mr. DICKINSON. "Something worth while" to prevent war. I dare say I wrote that letter. "Something worth while" to prevent war.

Maj. HUMES. You undertook to communicate with Mr. Viereck what purported to be secret orders to the American Navy?

Mr. DICKINSON. I can not imagine that I said "secret orders." If I did it was a slip of the typewriter. I had no information as to secret orders affecting the Navy.

Maj. HUMES. Then that is an erroneous statement on your part, and you had no fact to base it on?

Mr. DICKINSON. Obviously not. I must have had an impression of some kind, if I wrote that letter, and it sounds like me.

Senator NELSON. A sort of a prediction of the weather?

Mr. DICKINSON. Yes, sir.

Maj. HUMES. On June 14, you wrote a letter to Mr. Viereck in which you said, among other things:

In this connection it is interesting to note that by order of the President the War Department is preparing advertisements for nine thousand army trucks in addition to the two thousand already to be bid for at the Depot Quartermaster's headquarters in New York June 30th. This is one of the most positive signs observable of Wilson's purpose to do something sensational before the Presidential campaign closes, etc.

Mr. DICKINSON. That is probably referring to Mexico. That was in all the newspapers.

Maj. HUMES. Why was it necessary, then, to call it to Mr. Viereck's attention?

Mr. DICKINSON. I was doing it all the time.

Maj. HUMES. Where did you get the information that was as a basis for that?

Mr. DICKINSON. Where other newspaper men got it.

Senator NELSON. It was a sort of what they call among theatrical people "stage thunder"?

Mr. DICKINSON. Well, sir, if that is your definition of it. It has been a matter that was being written about in the public prints and so forth.

Senator OVERMAN. You say you got it where other newspaper men got it?

Mr. DICKINSON. Unquestionably.

Senator OVERMAN. Do you know where other newspaper men got it?

Mr. DICKINSON. I do not know where they got it. It was a matter of public notoriety, or I would not have known of it.

Maj. HUMES. In your letter of August 20, 1916—

Mr. DICKINSON. Where was that from?

Maj. HUMES. From the National Press Club, Washington.

Senator NELSON. What year, 1916?

Maj. HUMES. 1916; yes, sir. I note the following:

I confess that although I have been some closer to the throne than you here in Washington and have discussed our foreign affairs, in their general specific aspects, with many men who are supposed to have had to do with shaping, I do not know what it all means, whither we have drifted or drifting, and what finally will come of it all. I do know that the whole of our European policy since the war began has been away from the Central Powers and toward the Entente Allies and that is about all I do feel concerned about. I know, furthermore, that the Administration is anxious to catch Germany in a trap on the submarine question, and that we shall probably have a great deal on this question before the votes are cast in November.

Mr. DICKINSON. Yes, sir; as I say, I wrote that.

Maj. HUMES. Yes, sir; and at that time you say you were in close touch with foreign affairs.

Mr. DICKINSON. Well, that is a conventional expression. I might have said that I was in close touch with foreign affairs.

Maj. HUMES. And that there was an effort to entrap Germany in the submarine controversy?

Mr. DICKINSON. Yes, sir. Senator Stone and myself were long friends. I used to talk to him very plainly about it, when he was in the Senate—what he was doing trying to prevent this war.

Senator NELSON. That word "throne" is simply a figure of speech of Mr. Hughes? It might cover the White House, or it might cover Capitol Hill, or it might cover the buildings down on the White Lot.

Maj. HUMES. I also in the same letter call your attention to this sentence:

An interesting incident connected with the conference at the White House yesterday between Wilson and the big railroad managers seems to have escaped the newspapers.

You were not confining yourself in your letters to Mr. Viereck matters printed in the public prints, were you?

Mr. DICKINSON. No. Probably that was an interesting thing that I happened to hear about from some source, and I was telling about it. I don't even recall any conference between Wilson and the railroad men. There must have been one.

Senator NELSON. I think Viereck and the Fatherland got the worst end of this thing?

Mr. DICKINSON. Yes, sir.

Maj. HUMES. Here are these letters, and if it is the desire of the committee to have them put in the record in connection with this testimony—

Senator OVERMAN. What letters?

Maj. HUMES. The letters that we have had here that you have looked over. He has identified all of these letters.

Mr. DICKINSON. In a general way, I identified them.

Senator OVERMAN. Do you think they ought to go in?

Maj. HUMES. In connection with the testimony, I think it would explain and complete the testimony, and I think in fairness to the record already made up that it would only be proper to make them a part of the record, in order to justify the testimony that has been presented.

Senator OVERMAN. Let them go in.

(A letter referred to is here printed in the record as follows:)

NATIONAL PRESS CLUB,
Washington, June 28, 1916.

MY DEAR MR. VIERECK: I think your treatment of the Presidential campaign the last Fatherland was just about right. It harmonizes very well with what I perceive to be the situation and the hyphen's proper attitude. I account myself a sort of hyphen on the German question and believe, egotistical as it may sound, that the views I have expressed to you will finally prevail with the American people.

There are low rumblings at the White House premonitory of happenings of interest affecting the British question. I have been unable as yet to get an accurate line on what they mean. I doubt not, however, that the President will make plain his meaning before he formally breaks diplomatic relations with Mexico preliminary to a declaration of war. There is much being said, too, concerning the reports of the advent of a new German submarine in American waters, coupled with the assertion in some quarters that its real destination is Mexico. All assertions of this character of course, come from sources hostile to the continuance of good relations between us and Germany, rather hostile to the restoration of those relations. Whether or not these reports are affecting the Presidential mind or purpose I do not know, but I strongly suspect that they are being made chiefly with this object in view.

Three leading Missouri Democrats today, among their number being Senator Boone, told the President that Missouri at this time was strongly against him and that they would be unable to check this drift until he helped them by making a vigorous declaration on the British question. One of them told me that he had informed the President that because of the generally accepted attitude of the Administration toward German-American sentiment Missouri is today a much more doubtful state even than New York. I look for representations of this sort by his friends to produce the desired effect upon Wilson's mind, and this is what is strengthening my belief in his purpose soon to give us something that will put aggressions of English navalism in the same category from his viewpoint with many phases of the German issue.

Faithfully,

JOSIAH WINGATE.

Maj. HUMES. Now, Mr. Dickinson, I ask you to look at that signature, and tell us whether that is your signature.

(A paper was shown to the witness.)

Mr. DICKINSON. If that were my signature, let me ask you, Would you want to say "Signed, Josiah Wingate."?

Maj. HUMES. I am not being examined.

Mr. DICKINSON. I ask, Is the letter signed in that way, or attested?

Maj. HUMES. That is a photostat of the letter.

Mr. DICKINSON. That was written October 24, 1916. I never wrote that letter. I can not see any harm in it. If it has been written and put over on me, not by you, but by Mr. Viereck—I never had occasion to write such a letter; I never wrote such a letter.

Maj. HUMES. This letter that the witness fails to identify is very important in this particular, that it is one of the photostat letters that were a part of the Military Intelligence that was used in accordance with the theory of the committee as the basis of the testimony that was presented here, and is authority for certain statements that were made. In fairness to the witness who appeared in behalf of the Military Intelligence, it strikes me that it is only fair that this matter should go into the record to show his justification.

Senator OVERMAN. Was the statement of Capt. Lester in respect to such a letter?

Maj. HUMES. He referred to this letter in connection with his testimony, and it was his authority for making certain statements that he did make.

Senator OVERMAN. Let it go in.

Mr. DICKINSON. Can not the letter be read?

Senator OVERMAN. Yes.

Mr. DICKINSON. Please read it. I never saw the letter before.
Capt. LESTER (reading):

October 24, 1916. My dear Mr. Viereck:—

Mr. DICKINSON. Where is that dated from?

Capt. LESTER. There is no place on it, Mr. Dickinson. [Reading]

OCTOBER 24, 1916

MY DEAR MR. VIERECK:

At Shadow Lawn last Saturday the President initiated a conversation with me about you, which at least I regard as curious, if not significant and of importance to you.

He started the conversation by asking me how long I had known you personally and how well I know you. I told him that while our personal acquaintance intercourse had extended over only two months, still I thought I knew you pretty well, mainly because I had for several years been very intimately associated with a German of your general type—the late Count Seckendorff—who temperamentally was a great deal like yourself, in that he was a man of punctillious honor and hence with strong inclinations always to be fair. The President asked me if I thought you were judicial-minded. I facetiously replied that you were a poet and that I had never known a poet of your mode.

He then inquired with very apparent interest about what he called “equipment.” I dwelt upon your culture in a broad literary sense. He replied that he did not mean that exactly, but that he used the word “equipment” rather in its pragmatic sense. I told him that I did not know that you had the experience that had equipped you pragmatically. There is an impression on my mind that he said in reply to this, that men of culture and of mental poise that tended to clear vision and fair judgment were unconsciously more pragmatic than they generally receive credit for.

While he was discussing your “apparent” sense of fairness, I related briefly the genesis of your statement for the press. I told him that you brought it to my office, that my first proposition was for our publicity bureau to distribute it, but that you had suggested that it might not be as effective through that distribution as it would be should you assume full responsibility for the distribution. This seemed to please him. I told him further that you had said to me that if I did not think it was strong enough and fair enough for me to make it stronger. I informed him that I declined to do this for that in my effort to strengthen it I might do him an injustice, besides which I thought it was strong enough. I told him that you had in the original statement this assertion: “an ounce of performance is better than a pound of proz-

and that you had cited this without any request or hint from me. This obviously pleased him very much.

The foregoing is about all of his conversation concerning you that I can recall. It embodies all of the essential features of his inquiries and comments.

I infer—and my inference may be wide of the mark—that he either has determined to appoint some sort of neutrality board after the election to aid him in reaching some new judgment in regard to our international relation in order that he may act within the new lights which may be thrown upon the subject. I do not mean to say that he intimated any disposition to change his course. All I do mean to say is he left me under the impression that he is searching for the proper material to constitute such a board should he finally decide to appoint it.

I was strongly tempted, of course, to ask him what he had in mind, but you can understand the sense of delicacy I felt when that thought was evolved in my mind.

On the general subject of the hyphenates he seemed wholly at ease. He said he believed that a year ago that their blood had been so heated against him that they were violently against him en masse. He added, however, that he was convinced that their blood had cooled and that only their exclamatory leaders are in the main the only element that persistently took an unfair view of his conduct. He talked as if he were convinced that the poll in November would surprise the professional politicians in the large proportion of the so-called hyphenate vote that would be cast for him.

He had on his desk, while talking to me about you, a full copy of the statement you had prepared for the press in re the Ridder statement concerning Stone and Burleson.

He remarked upon the fairness of its tone as illustrated by your assertion that you did not regard his Americanism as inferior to that of Hughes. Before he left him he looked around and said that he was sorry no stenographer had been present while he was talking to me so that what I had said concerning you might have been taken down.

I remarked again that I was sorry he had replied at all to "that crazy man Leary," and he said that he had not dictated that statement in haste or heat, but that it was the result of very cool and careful thought on his part.

I had almost forgotten to tell you that during the conversation the President said in effect that he wanted to know about you and others, who like yourself have individualized themselves in these troublesome times, because you might be useful "when settlement time comes."

(Signed) JOSIAH WINGATE.

Mr. DICKINSON. I never wrote any such letter. Does the chairman want my theory about it?

Senator OVERMAN. No.

Mr. DICKINSON. It is very important, sir.

Senator OVERMAN. Theory?

Mr. DICKINSON. Yes, sir.

Senator OVERMAN. No, I do not want to hear it.

Mr. DICKINSON. Who is the author of that letter?

Senator OVERMAN. Do you know who the author was?

Mr. DICKINSON. I think I know. I never saw the letter before.

Senator OVERMAN. Do you know his name?

Mr. DICKINSON. Yes; I think Mr. Viereck himself wrote it in order to get more money out of what was developed to be the German propaganda, with a lot of money he was getting. That is my theory about it. I have never heard that letter before. I did not write it.

Maj. HUMES. Count Seckendorff was referred to.

Mr. DICKINSON. Count Seckendorff.

Maj. HUMES. Do you know him?

Mr. DICKINSON. I have nothing but the most delightful and pleasant recollections of him.

Maj. HUMES. You did know him?

Mr. DICKINSON. I was associated with him in this city in business for several years, on the New York Tribune bureau.

Maj. HUMES. The original of this, this being a photostat, is in the files of the Department of Justice.

Mr. DICKINSON. Is this that letter? [Indicating photostat.]

Maj. HUMES. Yes.

Mr. DICKINSON. I did not write it. If I had written it, there is no harm in it, but I did not write it.

Senator NELSON. You think Viereck wrote it, do you?

Mr. DICKINSON. I think Viereck wrote it himself, or some one around him.

Senator NELSON. You say he wrote it, you think, to work the Government in some way—for money?

Mr. DICKINSON. To work the Government? No, sir; to work for ever were his principals, evidently.

Senator NELSON. How.

Mr. DICKINSON. Whoever were his principals; the German propagandists.

Senator OVERMAN. Did you know Bernstorff?

Mr. DICKINSON. Bernstorff? No, sir. I attended a reception once at his house with probably two or three thousand other people.

Maj. HUMES. I also call your attention to a letter of January 1916.

Mr. DICKINSON. Have I identified that?

Maj. HUMES. Yes. I call your attention to one sentence in the letter, which reads as follows:

I account myself a sort of hyphen on the German question, and a bit egotistical as it may sound, that the views I have expressed to you will prevail with the American people.

Are we to understand from that, that at that time you and Viereck were of the same view?

Mr. DICKINSON. As to neutrality?

Maj. HUMES. As to the foreign situation.

Mr. DICKINSON. Yes, sir. As to neutrality, yes.

Maj. HUMES. Was Mr. Viereck's interest one in neutrality?

Mr. DICKINSON. Yes; so he insisted, and so he wrote.

Maj. HUMES. He was not interested in the success of the German cause, but was only concerned with the neutrality of this Government?

Mr. DICKINSON. Of this Government; as far as I am aware.

Maj. HUMES. And yet in this letter to Gen. Churchill you say that because of the great sums of money which Viereck was getting for the German cause, you felt, owing to your small compensation, that you were a veritable piker?

Mr. DICKINSON. Yes.

Maj. HUMES. Did you not know at the time these negotiations with Viereck were going on, that he was getting these sums of money from the German Government?

Mr. DICKINSON. No, sir; I did not. At the time I wrote the letter he was just being exposed, having handled hundreds of thousands of dollars.

Maj. HUMES. In the summer of 1916 did not the papers of this country expose Viereck and his connection, and was it not the subject of one of the biggest exposés of the time preceding the war?

Mr. DICKINSON. I have no recollection of it.

Maj. HUMES (continuing). Or during the war? Do you not remember the publication of the Albert papers and the Albert exposé by the New York World, which was also carried in most of the papers of the country in one form or another?

Mr. DICKINSON. I remember the Albert exposé.

Maj. HUMES. Yes. Do you not remember that Viereck was involved in that almost as largely as Albert?

Mr. DICKINSON. I do not recall that.

Maj. HUMES. Do you not know, as a part of that exposé, that Viereck and Albert were together at the time the papers were seized, grabbed, or stolen—whatever you choose to term it—by the people who afterwards turned them over to the New York World?

Mr. DICKINSON. I do not remember Viereck's name in connection with it. If I had, then Schrader convinced me that Viereck was innocent.

Maj. HUMES. This morning you made a statement that you had been entirely acquitted of all of this matter by Gen. Churchill?

Mr. DICKINSON. Yes, sir.

Maj. HUMES. I do not care to put this in the record, and I suggest that you read it, and then, if you want to correct your testimony, so far as it affects Gen. Churchill, very well [handing paper to the witness].

Mr. DICKINSON (after examining paper). Do you want me to tell you what Churchill said to me?

Maj. HUMES. As I understand, you are willing to have Gen. Churchill's name stricken out of the record in the reference that was made this morning?

Mr. DICKINSON. With the statement that he told me, and let it stand that way; and that he changed his mind afterwards, unknown to me.

Capt. LESTER. He is in France. He is not here to speak for himself.

Maj. HUMES. The Military Intelligence wants the record to conform to the facts, and to the public records, and if you want a statement of that kind to go in, they ask to have the official record put in.

Mr. DICKINSON. Very well; I will have to produce a letter in another case, then. All right, sir, if you want to fix it that way.

Maj. HUMES. I do not understand you to say that you have a letter from Gen. Churchill?

Mr. DICKINSON. No, sir.

Maj. HUMES. You are referring to a letter from Gen. McIntyre?

Mr. DICKINSON. Yes, sir.

Maj. HUMES. It is a part of this record, and I have no objection to our putting that in.

Mr. DICKINSON. I will have to read this, sir. It is about secret work I knew nothing of.

Maj. HUMES. If you want those two to go in, there is no objection to that.

Mr. DICKINSON. I did not write the Shadow Lawn letter. I will read Gen. McIntyre's letter, if I may be permitted to, and then I will

have to tell this whole story. Shall I read Gen. McIntyre's letter, or do you want to read it?

Maj. HUMES. No, I have no desire to read it. If you desire to read the records all in, there is no objection to it.

Mr. DICKINSON. In justice to myself I must read Gen. McIntyre's letter.

Senator OVERMAN. Read it.

Mr. DICKINSON (reading):

WAR DEPARTMENT,
OFFICE OF THE CHIEF MILITARY CENSOR
Washington, June 24, 1918.

DEAR MAJOR: I had intended writing to you today to tell you of the change in my own status here, when I received your telegram to which I have replied.

I, as you doubtless have been advised, am giving up the military censorship and the several duties connected with it, including that on the Censorship Board. All of the duties hereafter which I have been performing in this direction will be centered in the Military Intelligence Branch of the General Staff, of which Colonel Churchill is now the head. They doubtless will endeavor to retain two men on each of the Censorship executive committees, so that the change in the status of those that have been representing me will necessitate no follow. Of course, they may desire later to make certain changes in case they feel that the service can be improved thereby. I hope that this will not affect you.

I wanted, however, to call your attention to a little matter which has come up here and which I hope that I have put to sleep. You spoke to me before leaving here of the fact that you were being investigated by the Secret Service. It seems that they made a report to the Military Intelligence Branch, which discovered that you had been employed to write a weekly letter to *Viereck*, then publishing "The Fatherland." They secured copies of these letters, most of which were signed "Wingate" or "Josiah Wingate," and established pretty clearly—by testimony of *Viereck* himself and, I think, of his lawyer—the fact of such employment and the identification of these letters as yours. The papers were turned over to me with the suggestion that I take the necessary action.

I filed the papers, saying broadly that no action was necessary; that you were a newspaper man; that you were writing letters to "The Fatherland" and the editor of "The Fatherland" as a man of your profession would write them to a newspaper editor; and that this was hardly an appropriate time to waste time in discovering what your opinions may have been at that time, which was prior to our entry into the war and largely during a political campaign.

My successors may take a different view of this matter. I hope not. At least, I think that there is nothing that you can do at this time. It was for this reason that I desired a copy of the letter that you had sent me in which you mentioned *Viereck*.

With kind regards to Mrs. Dickinson, I am,
Very sincerely,

FRANK MCINTYRE

Capt. J. J. DICKINSON,
Calcasieu Building, San Antonio, Tex.

Shall I explain the origin of this letter?

Maj. HUMES. What is the date of that letter?

Mr. DICKINSON. June 24, 1918.

When I received this letter from Gen. McIntyre, I went forth with to Maj. Gen. W. A. Holbrook, the commanding general of the Southern Department, with headquarters at Fort Sam Houston, San Antonio, Tex. I passed through the office of his adjutant general, Ralph Harrison, whom I have known many years, and who is now here on The Adjutant General's staff. Naturally I showed this to Harrison, and I said, "I don't know what it means, Harrison. I know they have had all of those foolish *Viereck* letters in mine up there for a long time; I caused them to get them, and I have

never denied them, never had any disposition to deny them, and I don't know what they mean by it."

He read McIntyre's letter. He said, "It is very plain. It has been referred to Gen. McIntyre for necessary action, and he has taken the necessary action." I said to him that I was not satisfied with it, that I was going in to see Gen. Holbrook and ask forthwith for a military inquiry. Col. Harrison accompanied me to Gen. Holbrook's desk, and there I told Gen. Holbrook all about it, in the light of this letter, and he read it very carefully.

He said, "It would be very foolish for you to have a military inquiry: Gen. McIntyre and others have looked into that thing and acquitted you of any harm by intent or action. Now that the public mind is all inflamed it would cause you to be misunderstood." He said, "If you write up through the regular military channels I will see to it that you have a military inquiry," but he advised me against it.

I then asked Gen. McIntyre if I had better not have a military inquiry, that I knew something of the practice in these things, and he advised me earnestly against it, on the same grounds Maj. Gen. Holbrook did.

Col. Harrison is here in town, and if you want him I have no doubt he will come and testify to the vigorous action I tried to take.

Now that the Military Intelligence has made these reports against me I can see how the military mind has been inflamed. There is nothing against my loyalty.

Maj. HUMES. On June 24 you got the letter of Gen. McIntyre, and on July 29, more than a month after that, you addressed a communication to Gen. Churchill, then Col. Churchill?

Mr. DICKINSON. Yes, sir.

Maj. HUMES. That is your letter, is it [handing a letter to Mr. Dickinson]?

Mr. DICKINSON. This is the communication.

Maj. HUMES. That is the communication?

Mr. DICKINSON. Yes, sir. Shall I tell about that?

Senator NELSON. What is there in that communication?

Maj. HUMES. This is the letter in which he tells the whole story about his connection with Viereck, a month or more after the letter of Gen. McIntyre was written.

Mr. DICKINSON. On Gen. Holbrook's assurances.

Now, I suppose I had better explain the history and cause of this letter that he has been reading from here. I have a copy of it which explains this very fully.

Not long after this incident connected with the McIntyre letter and my request to Gen. Holbrook for a prompt military inquiry, I was summoned by the chief military intelligence officer of the Southern Department, a certain Maj. Barnes, to his office. I was busy, naturally, in asking what it was about. "Oh," they said, "it is to close up this Josiah Wingate matter with the military intelligence. Naturally my feelings were again hurt and I went to see both Col. Harrison and Gen. Holbrook before I went to see Barnes. They assured me that it was a mere form, that they wanted to complete their record there so as to save me from any trouble. So I made a statement to Maj. Barnes; a very brief one. Of course, the thing kept

gnawing at my mind. Whereupon I sat down and wrote Gen. Churchill himself this long letter lest Barnes would not in his haste cover it thoroughly. That is the reason I wrote this long letter.

Senator OVERMAN. Do you want that to go in the record, Mr.

Maj. HUMES. I think in view of the statements that have been made that the letter should go into the record, and also the communications of Gen. Churchill subsequent to the date of the letter of Gen. V. Intyre.

Senator NELSON. They had better all go in, had they not?

Maj. HUMES. Yes, just those two. The letter has gone in; it has been read and therefore it is in. And we submit these communications.

(The letters here referred to are printed in the record as follows.)

Military Intelligence Division.

In replying refer to

MID-10679-7

K. C. C.
(D. C. C.)

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF.
Washington, October 18, 1918.

Memorandum for the Chief of Staff:

Subject: Captain Jacob Johnson Dickinson, Signal Corps, U. S. Army.

1. Captain Jacob Johnson Dickinson, S. C., U. S. Army, was commissioned January 25, 1918. Previous to this service he had served as a Major of the Missouri Volunteer Infantry from July 20, 1898, until his Regiment was mustered out May 10, 1899.

2. Captain Dickinson was employed by one George Sylvester Viereck, editor of "The Fatherland," a notorious pro-German publication of New York City, from some time in March, 1916, until after the Presidential election the following year. Shortly after the election in 1916, he started to work for a Dr. F. C. Fuehr, a notorious German propagandist in the United States, and was employed by him until some time in February, 1917. The correspondence that Captain Dickinson carried on with these two men, was under an assumed name, and that part of it that was published in "The Fatherland" was under the nom de plume as used in the letters. For this work Captain Dickinson received regular pay and was to report intimate and executive affairs in Washington.

3. On the War Department Information Blank that Captain Dickinson filled out when he made application for commission, no mention is made of either of these employments, although he was required to report his last employment next to last, etc., and the statements he made were subscribed and sworn to as being correct.

4. During the time that Captain Dickinson was a regular correspondent for Viereck and Fuehr, he was very critical of the President, of the Administration, and approved of things German. In one of his letters he reported a confidential interview with the President, which was a flagrant violation of decent professional courtesy.

5. While Captain Dickinson has been on duty in the Censor's Office at San Antonio, Texas, his services have not been competent. One of the officers under whom he served reports on him as follows:

"I have no reason to think that his presence on the Committee at San Antonio has been anything but a handicap to the work of the Committee. I suggest to you the advisability of relieving him of any duties in connection therewith."

6. Captain Dickinson was relieved from duty in the office of the Military Censor, San Antonio, Texas, on August 17, 1918, and was directed to report in person to the Chief Signal Officer of the Army for instructions, and to go on duty in the latter's office.

7. The Military Intelligence Division is of the opinion that Captain Dickinson should be discharged from the service by direction of The President, under the provisions of Bulletin 32. It is not deemed to be to the best interests of the service to bring Captain Dickinson to trial for these offenses. Although the evidence is clear and conclusive, the production of it before a Court-Martial would be detrimental to the work being performed by the Military Intelligence Division.

8. Action recommended is contained in a memorandum herewith for the Adjutant General of the Army.

9. The office of the Chief Signal Officer of the Army (Brigadier General Saltzman) has been consulted and concurs.

M. CHURCHILL,
*Brigadier General, General Staff,
Director of Military Intelligence.*

EXECUTIVE POSTAL CENSORSHIP COMMITTEE,
OFFICE OF THE CHAIRMAN, POST OFFICE DEPARTMENT,
San Antonio, Tex., July 29, 1918.

From: Captain J. J. Dickinson, San Antonio, Texas.

To: Col. M. Churchill, Chief Military Censor, M. I. B., General Staff, Executive Division, Washington, D. C.

Subject: George Sylvester Viereck, Dr. K. A. Fuehr and myself.

1. Recent newspaper exposures of the use by George Sylvester Viereck of a large amount of money obtained through German sources for propaganda uses in the United States suggest to me the advisability of my submitting somewhat in detail business relations that for several months I held with Viereck and later during that period through Viereck with Fuehr.

2. I think it was some time in the month of March, 1916, that I was approached in Washington by Frederick F. Schrader and asked if I would represent in Washington "The Fatherland," which was owned and edited by Viereck. I accepted this employment. The employment contemplated the writing of a letter by me for publication in each weekly issue of "The Fatherland," for which I was to receive a weekly compensation of \$40. After my first letter had reached Viereck's offices at 1123 Broadway, New York, I received a letter from him suggesting that I adopt a nom de plume—"Josiah Wingate," as he thought it would be better to surround the correspondence with some curiosity as to the real author of the letters. To this proposition I assented.

3. My recollection is that only two of these letters were published in "The Fatherland." I then received word, either in writing from Viereck or through Schrader, that as "The Fatherland" was cramped for space and as Schrader was making a weekly trip to Washington to write a long weekly letter, my services would be more valuable if I should write two or three informal letters to Viereck consisting of comment and opinion upon current events affecting our foreign relations, particularly as to Germany, and dealing in general with larger phases of politics. I was to sign those letters in the nom de plume that had been agreed upon for the published letters. This I did under the original arrangement until sometime after the Presidential election in 1916.

4. A day or two after the election in 1916, I was summoned to Viereck's offices from the Manhattan Hotel, where I had been living through the campaign. A few minutes after I arrived in Viereck's offices a person introduced to me as Dr. K. A. Fuehr made a rather theatrical entry. I was told by Viereck following the introduction that Dr. Fuehr was the General Manager in America of the Trans-Ocean News Service, which was the American end of the Overseas News Agency of Germany. I was then reminded by one or both of them that I had met Dr. Fuehr in Viereck's offices previously, but I did not then remember that I had ever met him before. Dr. Fuehr then told me that he had been reading all the correspondence that I had been sending to Viereck and that it had been of much value to the Trans-Ocean News Service, adding that he would be pleased if I would continue it at his expense and that in a short time he would see to it that I was more liberally compensated. Viereck suggested that I continue sending the letters addressed to him, as Dr. Fuehr frequently was out of the city and that by addressing the letters to him he could see to it that whatever of news value might be to them would be taken up by the Trans-Ocean News Service. To this arrangement I agreed.

5. About this time, so I was told at the interview here mentioned, Dr. Fuehr had fitted up offices in a new building at the southwest corner of 5th Avenue and 40th street. I was left under the impression that prior thereto he had occupied offices in the same building with Viereck. It was represented to me that the Trans-Ocean News service was intended to be developed into the greater German news assembling and distributing organization of America and that at the close of the European war I was to succeed Dr. Fuehr as General Manager provided my services should prove acceptable. To this I readily agreed.

6. Until the occurrence of the events above narrated I did not even know of the existence of Dr. Fuehr or of his relation with Viereck. Until I was on the occasion referred to I did not know there was an organization such as the Trans-Ocean News Service. In the first talk I had with Dr. Fuehr I was most favorably impressed with his culture, refinement of feeling, and pragmatism. I recall his telling me that he had been in the German diplomatic service at various capitals, and particularly at Tokio.

7. About the last of November I was called to New York by Dr. Fuehr through Viereck for consultation pertaining to the liberalizing of the Sayville Wireless Station and its relations to the German Press in general and particularly to the Trans-Ocean News Service. Frequently prior to this Viereck had mentioned that subject to me and I had taken it up once or twice with Secretary Daniels. When I returned to Washington from this consultation I took the subject up again with the Secretary of Navy, telling him that I represented the Trans-Ocean News Service, that Dr. Fuehr had big offices at 40th street and 4th Avenue, that he was trying to provide the German press with a comprehensive and impartial news service from America and that he was entirely willing that all of his matter to be closely censored by responsible authorities at the Sayville Wireless Station. I do not recall now what the result of my interview with Secretary Daniels was upon this subject.

8. The most notable service I performed while thus engaged was the furnishing to Dr. Fuehr through Viereck of an elaborate forecast of a speech that would be made by the late Senator Wm. J. Stone, in which the then Chairman of the Senate Committee on Foreign Relations essayed the task of defining what was regarded as the possible terms of peace, and particularly of America's attitude toward the war. As I recollect, Dr. Fuehr had called me on the long distance telephone and asked if I could obtain this forecast.

I immediately went to Senator Stone's office in the Capitol and told him what I wanted, and what I wanted it for. He unhesitatingly turned over to me a copy of his speech, saying that he realized that it would have some influence in Berlin and that he only regretted that I had not been instructed to have the entire speech cabled over. As I recall the events at that time, von Bethmann-Holweg, then German Chancellor, delivered a speech in Berlin that anticipated the Stone speech, which was delivered a few days afterwards, I think in St. Louis. Senator Stone read the cable synopsis of the German Chancellor's speech before he left Washington to deliver his own speech, in St. Louis. He congratulated me and the Trans-Ocean News Service upon what he characterized as a fine bit of international journalism.

9. Sometime in December of 1916, to the best of my recollection, I wrote a letter to Dr. Fuehr through Viereck, forecasting with startling accuracy the date upon which the President either in a speech before Congress or a statement to the public made clearer the definition of our attitude toward the war. I am unable to recall now in what form the President made this declaration. I realized that it would have great influence upon the stock market, and I wrote the same letter substantially to a Wall Street client who is at the head of one of the biggest banking and brokerage establishments in the country. It was remembered that the so-called leak investigation followed the break in the market in Wall Street and that Bernard Baruch testified before the Rules Committee of the House of Representatives conducting the investigation that he had learned about one-half million of dollars in steel stocks by anticipating the break. I thought that my Wall Street client would reward me by carrying a large amount of steel stocks for me based upon this information. This he did not do.

While the so-called leak investigation was in progress I turned over voluntarily to Chairman Robert L. Henry of the Rules Committee a copy of the letter I had written to Viereck. I told Mr. Henry at the time that I believed my letter to Viereck not only was the principal source of the so-called leak, but that I strongly suspected the Germans had used it in stock speculations for the purpose of financing their propaganda in the United States. I told Mr. Henry that I would be very glad to respond to a subpoena as a witness in order to verify the copy of the letter which I had turned over to him. I was not called by the Rules Committee to testify, and that was the last I heard of my so-called leak letter. Just before I turned a copy of this letter over to Chairman Henry I took it to the White House and showed it to Secretary Tumulty. Who expressed interest in it, especially the remarkable accuracy which which I had forecast the President's action. I told him that I had obtained no direct information from any sources on the subject, but that I had merely put it out.

10. I recall that on the Wednesday evening before the break in Wall Street which I have referred occurred, Pay Director Chas. A. Conard of the Navy, was dining with me in my apartment house, The Toronto, 20th and P Streets W., Washington, D. C. Before Conard arrived at my apartment I had put a long distance call to New York for Viereck. While Conard was in my apartment the telephone response came from New York saying that Viereck could not be found. I then told Commander Conard about the letter, and explained to him how and why I had written it. When I last heard of Pay Director Conard he was stationed at the Washington Navy Yard.

11. A week or ten days before our diplomatic break with Germany, which I believe was in February, 1917, a long distance telephone call from New York reached me late one afternoon at the National Press Club. I could not tell whether the voice at the New York end of the wire was that of Fuehr or Viereck; the tone of their voices was very similar. I was told that a secret order had been given by the Navy for an important movement of one of our little fleets and I was requested to get all the information on that subject I could and send it over to New York with all possible speed. In response to this I said that the thing had gone too far, that I could not be used in such a manner and that I would be in New York the next morning to sever my relations with the Trans-Ocean News Service, Viereck et al. I went to New York on the midnight train, and the next morning called at Viereck's offices. He expressed great surprise when I told him what had brought me to New York and denied that he had talked to me over the telephone the afternoon before. When I told him it was either he or Fuehr, he called Fuehr by telephone down to his office. Fuehr denied with as much feigned surprise as had been simulated by Viereck. This made me angry and I denounced them both very harshly. After that occurrence I had no business or other relations with either of them.

12. Soon after I returned to Washington I received a letter from Viereck enclosing a weekly check, and saying that in view of the probability of an early diplomatic break with Germany he regretted that my services could no longer be employed.

13. In view of the events that have followed my relations with Viereck and through Viereck with Dr. Fuehr I regret very much that I ever had any connection with them. I have realized that they were attempting to use me for a sinister purpose. I did not realize it at the time, though frequently suspicions would arise in my mind. In the light of the revelations showing the vast amount of money that Viereck must have had at his disposal I confess when I reflect upon the small compensation I received that I feel as if I were not only a fool but a veritable "piker."

14. A part of the Viereck propaganda through "The Fatherland" and other means at the time I was played by F. F. Schrader and a man named Collman. I had known Schrader for many years as a newspaper man, first in the west, then in Washington and finally in New York. I was on the staff of the New York Herald when Collman was one of the financial writers on that paper.

15. I recall an occasion, I think during the Presidential campaign, when St. John Gaffney, who had been removed as U. S. Consul at Munich because of his pro-Germanism, left Viereck's private office just as I entered. I had known Gaffney for a good many years, but when I hailed him as he was going out the side door he either did not hear me or pretend not to hear me and did not respond to my salutation. I remarked upon this to Viereck, and he told me that Gaffney had been telling him for sometime not to trust me too far, that I was probably assigned by the State Department to spy upon Viereck and his confreres. I laughed at this, and after I left Viereck the statement as to Gaffney's assertion caused me to reflect upon the habitual attitude of Viereck and others under him toward me. I realized then that I was distinctly trusted. On two or three occasions I now realize Viereck subtly invited me to assure him that I could be trusted implicitly to work with him for the German cause. Whenever he approached me in this manner I always repelled him, coupled with the assurance that I was neither pro-German nor pro-Ally in the factional sense; that I was merely per-American and believed that President Wilson would keep us out of the European war.

16. I am sending this long communication in the hope that it may aid the Government in its further investigation of Viereck and his activities. There is, of course, a multitude of details which I cannot summon to memory off-hand, but which might be of value to investigators if I could be with them for a few days.

J. J. DICKINSON,
Captain Sig. R. C., Military Censor.

Mr. DICKINSON. Here is another letter from Gen. McIntyre

WAR DEPARTMENT,
BUREAU OF INSULAR AFFAIRS,
Washington, June 29, 1901.

DEAR MAJOR: I have your telegram and have replied that I would not see your coming to Washington at this time.

The matter mentioned in my letter of the 24th seems to be quietly sleeping here for the present and I do not see what could be accomplished by bringing it up. If the matter should come up in any way I should try and secure a hearing.

Very sincerely,

FRANK McINTYRE.

Capt. J. J. DICKINSON,
Calcasieu Building, San Antonio, Tex.

Maj. HUMES. During the time of your employment with V were you representing any other newspaper?

Mr. DICKINSON. No, sir.

Maj. HUMES. What other newspaper had you represented previously at that time?

Mr. DICKINSON. I was brought to Washington soon after the close of the Spanish-American War, where I was serving in Cuba as an editorial writer on the old Washington Times. By the "old Washington Times," I do not mean the Times that started this morning. It was owned by the late Stilson Hutchins and was under the general management of his very able son, Mr. Walter Hutchins. I did not like the confinement of editorial work, and I soon worked out of the office and wrote a column of news for both editions, afternoon and morning. Then I became associated with the late Count Seckendorff, a man than whom nobody stood higher in Washington.

Senator NELSON. Was he in the diplomatic service here?

Mr. DICKINSON. No, sir. He had been for 20 years here the representative of the New York Tribune, and Mr. Reed's personal representative, together with the Mills' interests. I was the assistant man in that bureau, doing this work under Mr. Hutchins at that time on the Washington Times. Then Mr. Seckendorff made an engagement with Frank Munsey, who in the meantime had bought the Washington Times from Stilson Hutchins, to become his general editor. I went to the Washington Times with Mr. Seckendorff as the managing editor under him. I maintained the closest personal relations with Mr. Seckendorff for many years, even after he quit Munsey service.

Then I became, soon thereafter, an editorial and political writer on the Washington Post, under the late John R. McLean. Mr. McLean had me as his representative between himself and the man who was then President of the United States, Theodore Roosevelt. If you look back over the files of the Washington Post you will see my name in big black letters, that Mr. McLean himself used to put there simply as "Dickinson," not as "Mr. Dickinson." I used to talk with nearly every body who knew Mr. Roosevelt and frankly. I never betrayed a confidence. Thereafter I went in with the establishment of the Washington Herald, but on account of its failure. I then went to the

that over a year, and for the purpose of benefiting myself financially went into the Hearst service; I was there five years. Then I came back to Washington with Mr. Bryan in 1913, at Mr. Bryan's solicitation. I never sought any office; I held no regular office then.

Maj. HUMES. Then, as I understand it, major, during the year 1916 your only regular employment was the employment from Viereck?

Mr. DICKINSON. Yes, sir. I was doing many things of a business nature.

Maj. HUMES. Is it not a fact that when you made application for commission in the Army you failed to make any mention of your employment by Mr. Viereck, and did you not say that your last employment had been with some one other than with Viereck?

Mr. DICKINSON. I may have done that, never considering the Viereck employment in that sense. I simply overlooked it. Gen. McIntyre knew about it.

Maj. HUMES. Did you ever in your application for a commission state that you had been in the employ of Dr. Fuehr?

Mr. DICKINSON. No, sir, I do not suppose I did.

Maj. HUMES. And is it not a fact that the reason that that statement was not included in your application for a commission, was that you felt that it would interfere with the issuing of a commission?

Mr. DICKINSON. It never entered my mind, sir. I knew very well I had turned up all those letters, along with this leak note; knew they were here.

Maj. HUMES. Where did you turn them up?

Mr. DICKINSON. I don't know who turned them up. I know what I did with the leak note.

Maj. HUMES. That is, the only one you turned up was the leak note?

Mr. DICKINSON. Very soon thereafter. It was the only thing I had, of any value, of a documentary nature.

Maj. HUMES. And all of your letters were in Dr. Fuehr's office, and that is where they were secured?

Mr. DICKINSON. They were in Viereck's Office, because I sent them to him.

Maj. HUMES. Yes; but they were sent to Viereck for delivery to Fuehr?

Mr. DICKINSON. Yes.

Maj. HUMES. And they were found in Dr. Fuehr's office?

Mr. DICKINSON. They were found in Dr. Fuehr's office?

Maj. HUMES. Do you not know that?

Mr. DICKINSON. I do not know that, sir. They were addressed to Viereck, and I assume naturally they were in his files. I told you that was his arrangement.

Maj. HUMES. That is all, major.

Senator OVERMAN. Anything else, Major?

Mr. DICKINSON. I would like to be asked any questions you please.

Senator NELSON. I would like to ask a question or two. When did your employment with Fuehr and Viereck terminate?

Mr. DICKINSON. Just about the time our diplomatic relations were broken.

Senator NELSON. What did you do after that?

Mr. DICKINSON. I was representing this Wall Street house, among other things that I told you about, striving all the time to get into the Army.

Senator NELSON. What other activity were you engaged in?

Mr. DICKINSON. I have been trying to fix a date—I thought it was in May, but anyway in April, I went to Mr. Frank Polk of the State Department. My eyes were then being opened to Viereck, possibly what he had done in spite of the innocent assurance of Fred Schrader, and I had a short talk with Mr. Polk, and told him that I had had this connection with Viereck, that I had already turned over this leak note; that I had reason to believe they had raided his offices, and that I believed I could be of some service. Mr. Polk agreed to it, asked me if I knew Mr. Leland Harrison, whom I did not know.

Senator NELSON. Were you then employed by the State Department?

Mr. DICKINSON. No, sir; I was not.

Senator NELSON. Were you employed by Mr. Bryan?

Mr. DICKINSON. My termination at the State Department was about June, 1915.

Shall I proceed now, Senator, to tell you what I was doing?

Senator NELSON. I wanted to know what your activities were after that.

Mr. DICKINSON. I shall tell you all of my activities, sir.

Senator NELSON. Go on.

Mr. DICKINSON. And Mr. Polk turned me over to Mr. Leland Harrison, telling me that Mr. Harrison had charge of that work—you can call it secret work if you please. I went over, under Mr. Harrison—of course he suggested compensation, and I told him no. I was not a sleuth, I was not a detective, and that I did not want any money for that; that if he would simply pay my expenses it would be sufficient; to which he readily assented.

So that I went to New York—I thought it was in May, but I have a document here now indicating that it must have been very soon after we entered the war; but I thought it was in May.

Of course my policy then was to renew as close relations as I possibly could with Viereck, for the purpose of finding out, if I might, what he had done and what he was up to.

He is a crafty little fellow, and——

Senator NELSON. You were then trying to get information in favor of the United States Government?

Mr. DICKINSON. For the Government; yes.

Senator NELSON. From him?

Mr. DICKINSON. Yes.

He is a crafty man, and I got nowhere with him.

By the way, I just looked around a while ago and I see a witness in this room, unless he has gone, to that activity of mine. Mr. Alec Vest, of Missouri, sitting back there. I did not tell him all that I was doing in New York, but he was a delightful companion and I took him with me to live at my hotel with me.

I left him one morning, the only time I saw Viereck, when I went up on the elevator to Viereck's office—I never told Mr. Vest what he was up to; I tell him now, if I have not told him since then.

But I could not get next to Viereck.

Then I worked around on the case in New York two or three days and came back and reported to Mr. Harrison. Should I send a written report? No; he said: "It is an interesting sidelight you have thrown on it. I am much obliged."

A day or two after that I met Mr. John Suter, who was then, as now, the Attorney General's private secretary, and I do not know whether it was he or I who brought up the subject of working along his line. As a result, however, of our conversation, he asked me if I would not go to see Mr. Bielaski in reference to taking up a collateral branch of this work—a thing I had run across quite incidentally while I was working on the Viereck case. Of course I would. I had never seen Mr. Bielaski. A Mr. Underhill—I do not now his given name—a very high-class gentleman, received me, and, of course, proposed pay. I told him no; that was not my work; that I would do the best I could with it. And I went over for about two weeks.

Senator NELSON. Over where?

Mr. DICKINSON. Over to New York, to work on a collateral branch—I should hardly call it a collateral branch, but it was an accident that grew out of my efforts to trail Viereck that I met some other parties who were suspicious. I met those parties and worked with them, and came back, and then turned in an oral report on that.

Senator NELSON. Did you get anything substantial then?

Mr. DICKINSON. I thought I did. I got very little on the Viereck matter; but on this other matter I thought I got some very substantial things.

Senator NELSON. Go on.

Mr. DICKINSON. That ends about my activities, sir, except that I was engaged in private business thereafter, striving all the while to get into the Army and finally succeeding.

Senator NELSON. In what branch of the Army did you go?

Mr. DICKINSON. I was commissioned in the Signal Corps, with assignment to the postal executive committee at San Antonio, Tex., and as representative of the chief military censor. Under directions of the Military Intelligence Branch, a copy of which order I have here, I made a very extended and careful inspection from Brownsville, Tex., to San Diego, Cal., in the name of the Intelligence—it was then known as the Military Intelligence Branch.

Thereafter I stayed at my post in San Antonio, and this horrible thing came up, through Gen. McIntyre, in his kindly way.

Senator NELSON. Are you still in the service?

Mr. DICKINSON. No, sir. I resigned from the service, to take effect November 15, and it took effect actually on November 20, as I recall it.

Senator NELSON. I do not know as I want to ask anything more.

Maj. HUMES. Maj. Dickinson, the raid on Viereck's office, I assume, called your attention to this matter, and then you became interested in further investigation of Viereck; is that correct?

Mr. DICKINSON. Not at all.

Maj. HUMES. I understood you to so state.

Mr. DICKINSON. No; not at all. At that time I did not know that Viereck's offices had been raided.

Maj. HUMES. When you saw Viereck, did you make an effort to get the letters, then, that you had written to him?

Mr. DICKINSON. I made no effort to get the letters, sir. In the first place, it never occurred to me that he had kept them, and if he did keep them I did not care.

If you will permit me, now, to suggest to you why I had such suspicions that, following this leak note that I turned over to the chairman of the Rules Committee of the House and about which I never heard again—I turned it over with an explanation to Herr—was that if the raid was made, doubtless you would find a lot of stuff in there from me. That was the reason I had strong suspicions, almost convincing suspicions, that the raid had been made on turning over this leak note.

When I came back from New York on this assignment from the Department of Justice, Mr. Underhill seemed delighted because I had turned in some new names, and very important ones, and I was associated with those persons and had learned a great deal about them. Mr. Underhill, then, making a summary at his desk, said: "Well, I do not think you have quite closed up these matters. What do you think?" I said: "I have not. You wanted me to stay a week and I have stayed a week, and come back." He then said: "I wonder if you hadn't better go back there." I said: "I expected to; had; on the very same terms."

While I was in my apartment that night Mr. Underhill telephoned me that I need not go back to New York, but I could turn in my expense account. I thought that was rather brash, to say the least of it.

Then it was that I became convinced that the suspicious Mr. Elaski had run across those letters of mine, with the result that he did not want me to go back there any more to work on it. That is the reason I say I am convinced that it was the leak note that led to the discovery of these letters.

Maj. HUMES. What was the date of that?

Mr. DICKINSON. I will see, here.

Maj. HUMES. Approximately. I do not mean the exact date.

Mr. DICKINSON. Well, you want to be exact. I will read you the exact date. This is from the Attorney General. On April 17, 1917, I went over there, and I returned April 25. His records will show it.

I have not yet been able to receive the official record at the State Department by reason of the fact that Mr. Leland Harrison, with whom I did this work, is in Europe, and he is the only one, so far as I am aware, who knows of my activities in that line. I thought it was in May, but I see it was in April.

Senator NELSON. You worked, then, both for the State Department and for the Department of Justice?

Mr. DICKINSON. Yes.

Senator NELSON. In following up the German propaganda?

Mr. DICKINSON. Following up Viereck particularly.

Senator NELSON. In other words, you turned a straight sumbuult from being a promoter and backer of Viereck in his propaganda and you became an opponent of his and a friend of the Government?

Mr. DICKINSON. That was only when I was convinced, sir, that Viereck all the time had been intending to misuse me. I was convinced, for the first time, that Viereck was a party to German propaganda.

Senator NELSON. Well, I can see how you could undergo a change of heart.

Senator OVERMAN. Are there any other questions? .

Maj. HUMES. I have nothing else.

Senator OVERMAN. Stand aside, Mr. Dickinson. Call your next witness, Maj. Humes.

Mr. DICKINSON. I want to say now that I feel that I have a public duty to perform, but I prefer to submit this stuff to the committee in executive session and let it pass its judgment upon it, and then, possibly, you will be able to account for this vicious attack that was made upon me. I think it is a matter of very high public consideration.

Senator OVERMAN. You desire to have us take that up in executive session?

Mr. DICKINSON. Yes. I would prefer to submit it in private, and let you pass your judgment on it. I have the absolute official record on the matter, and I feel it my duty to the country and to the committee to submit it.

Senator OVERMAN. Very well. We will take that up in executive session.

Mr. DICKINSON. If you do not want to do it now I will come back at any time.

Senator OVERMAN. We will take it up in executive session now. (Whereupon the committee went into executive session. At the expiration of 10 minutes the committee resumed its open session.)

Senator OVERMAN. Have you any other witness ready, Maj. Humes?

Maj. HUMES. I will call Mr. Kennedy.

TESTIMONY OF MR. JACOB M. KENNEDY.

(The witness was sworn by the Chairman.)

Maj. HUMES. Where do you live, Mr. Kennedy?

Mr. KENNEDY. In Montana.

Maj. HUMES. Did you live in Montana in 1916?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. Will you state if you were in any way connected with an organization which was engaged in a wet and dry fight in Montana at that time?

Mr. KENNEDY. Yes, sir; I was secretary of the Montana Commercial and Labor League, and the executive officer; an organization of business men and laboring men formed for the purpose of defeating prohibition in the State of Montana.

Senator NELSON. Where were your headquarters; at Helena?

Mr. KENNEDY. Yes.

Maj. HUMES. In conducting the activities of that organization, did you come into contact at any time with either the United States Brewers' Association or the National Wholesale Liquor Dealers' Association?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. When did you come in contact with them?

Mr. KENNEDY. They sent a representative named James B. Kennedy from Minneapolis or St. Paul, presumed to have been the credited agent of the National Brewers' Association, who came to Montana about the commencement of the year 1915. He was there nearly two years.

I also met Mr. John A. McDermott, who, I understand, is the manager of the National Brewers' Association.

Maj. HUMES. In your negotiations, or conferences, with the representatives of the United States Brewers' Association, was any discussion or any arrangement made by which they were to aid, or lend any assistance to, the fight in Montana?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. What was that arrangement?

Mr. KENNEDY. They promised to the antiprohibition fight in excess of \$100,000. The National Brewers, my memory is, agreed to put in \$50,000 and the National Wholesale Liquor Dealers amount something in excess of that. I am not sure, but I think was about \$75,000, probably.

Maj. HUMES. Was this money to be expended by them directly, was it to be contributed to the local organization?

Mr. KENNEDY. It was to be expended under the direction, as I understood it, of the State liquor dealers' association; and the State liquor dealers' association there included the wholesalers, the retailers, and the brewers.

Senator NELSON. In Montana?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. In carrying on their activities, did they send organizers or speakers into the State?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. Whom did they send?

Mr. KENNEDY. During the period that I was connected with Maj. Humes, I could only give you a part of the names, because I resigned my position about the 1st of September, and the speakers that came after that I kept no track of, particularly.

They sent Clarence Darrow, of Chicago, and Mr. Paul S. Conway, I think, of Kansas City, and a number of others I can not recall.

Maj. HUMES. Did they send any one into the State with a special view of organizing the German vote of the State?

Mr. KENNEDY. I beg your pardon, Major. I should have recalled Julius Moersch.

Senator NELSON. Julius Moersch, of St. Paul?

Mr. KENNEDY. Yes; Julius Moersch, of St. Paul. He was sent to Montana.

Senator NELSON. He was the president of the German Alliance in the State of Minnesota?

Mr. KENNEDY. Yes, sir.

Senator NELSON. Go on.

Mr. KENNEDY. They sent Mr. Julius Moersch, of St. Paul, and Mr. Gustav—I think it is Gustav—Frankel, an attorney, who was supposed to represent the Minnesota Brewers' Association.

Mr. Moersch came into Helena with a letter to me from Mr. McDermott. He was introduced to me by Mr. Kennedy, the brewer.

gent in the State. He told me that he was sent there for the purpose of helping in the fight against prohibition and was prepared to make any number of addresses, but he desired to speak before the German societies of the State, and he was going to organize the National German Alliance in the State, as his principal mission.

Senator NELSON. What was he going to organize that for?

Mr. KENNEDY. He explained to me, at my first interview with him, that it was purely a fraternal organization that had been chartered by Congress, and he showed me the literature of the organization. I had heard of it, of course, but I had made no inquiry into it, or its purposes.

He said the intention was to organize a branch of the National German-American Alliance in all of the important centers of the State, and that these organizations would cooperate in the effort to defeat prohibition.

Maj. HUMES. Did Mr. Moersch make speeches throughout the State?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. What kind of speeches? What was the nature of his activity while he was there?

Mr. KENNEDY. Mr. Moersch—who, by the way, appeared to be a man of a good deal of intelligence and capacity—addressed several German meetings in Butte, Billings, Helena, Kalispel, Missoula, and other important cities.

I was not at any of the meetings, but the information was carried to me in my office daily that Mr. Moersch was carrying on a political propaganda; that very little of his conversation, private or public, was directed to the question of prohibition; that most of it was a denunciation of President Wilson, of ex-President Roosevelt, and a denunciation of Judge Hughes, a denunciation of Senator Myers, one of our United States Senators, who was then coming up for reelection, for his attitude on prohibition in Congress, and the President's attitude on the German question.

Senator NELSON. You mean he was carrying on a German propaganda?

Mr. KENNEDY. He was inciting, Senator Nelson, the German residents of our State to activities against President Wilson and the administration of this country.

To these activities I took exception. He was cooperating with a Dr. Karl Weiss, who came to Montana a few months before from Germany, and he was editing a German paper in Helena printed in the German language, called the Montana Staats Zeitung. Dr. Weiss was notoriously pro-German; a man of a good deal of ability.

Senator NELSON. Was this in 1916?

Mr. KENNEDY. 1916, yes, sir; starting on the 4th of July, 1916. The meeting was held in the city of Helena on the 4th of July, 1916.

Maj. HUMES. You say that Moersch was attacking President Wilson?

Mr. KENNEDY. Yes, sir.

Maj. HUMES. On what issue; the foreign issue, the question of the attitude toward Germany?

Mr. KENNEDY. Yes, sir. In his private conversations with me, and in conversations he had with others in my presence, he was very

virulent and vicious in his denunciation of the attitude of this administration.

Senator NELSON. And of Roosevelt too?

Mr. KENNEDY. Yes, sir; he was violently bitter against President Roosevelt. Mr. Moersch was very vicious concerning the attitude of the administration, in his criticism of the attitude of the administration, for permitting the allies, and not the central powers, to get food and ammunition and supplies from this country. He criticised the administration's attitude very severely in the effort to avoid the blockade which Germany had established on the seas. In a word, it was a pronounced pro-German propaganda.

Senator NELSON. Rather more than a liquor campaign?

Mr. KENNEDY. And they lost sight, in almost every instance, of the purpose for which we supposed they came into the State.

Maj. HUMES. As a result of his activities did you take any action?

Mr. KENNEDY. Yes, sir; I reported to the committee of gentlemen, business men of the State, who acted as the executive committee of our organization, men of high standing in the business world. That was our original policy and determination was to avoid all complications in politics and religion, in ulterior questions, except the question of prohibition, and I thought that it was very bad politics, and I thought that it was injurious to the purpose for which we were struggling, to have these fellows carrying on that kind of propaganda in the State. My executive committee agreed with me, and we demanded the recall of these men from the field.

Senator NELSON. You demanded it from whom? From the Liquor Dealers' Association?

Mr. KENNEDY. From Mr. James B. Kennedy, representing the United States Brewers' Association; Mr. Frankel—I personally presented the matter to Mr. Frankel in my office, and I think I wrote him a letter, but I am not certain—and from Mr. McDermott. I asked that these people be taken out of the field because our people were in rebellion against them.

Maj. HUMES. In addition to this alliance with Moersch and the German-American Alliance, were there any other alliances entered into in that fight?

Mr. KENNEDY. Well, an effort was made by the campaign managers of the Socialist party of the State of Montana to have our organization engage their principal speakers to make addresses against prohibition in the State, notably—

Maj. HUMES. What I mean especially is this, were there any other alliances that were inspired or advocated by either the United States Brewers' Association or their representatives, or the National Wholesale Liquor Dealers' Association?

Mr. KENNEDY. I would not say there was; no, sir.

Maj. HUMES. Did Kennedy undertake to make any alliances?

Mr. KENNEDY. Well, we thought he did, sir, but I have not absolute proof. He was charged with it, but I have no proof of it.

Maj. HUMES. I understood there was something in connection with the I. W. W. element.

Mr. KENNEDY. I was about to say—notably the Socialist party of the State of Montana had as leader the Rev. Lewis J. Duncan. He was then mayor of the city of Butte, the principal city in our State.

He was the mayor of our city, when much property and some lives were destroyed by riots. Mr. Kennedy thought that I was in error, and not showing good judgment by not accepting the offer of the manager of the Socialist party in the State.

Senator NELSON. Was he the manager—the mayor?

Mr. KENNEDY. Mr. James B. Kennedy, Senator Nelson, was the man that I referred to as representing in the State of Montana the National Wholesale Brewers' Association.

Senator NELSON. Yes; but I mean the manager of the Socialists?

Mr. KENNEDY. No; the campaign manager of the Socialist party in the State of Montana was named Albert Messner. I have his written communications offering the services of Mr. Duncan as one of our speakers—the Socialist candidate for governor that year.

Senator NELSON. Let me ask you right there—excuse me for interrupting you: Was there an affiliation between what you call the I. W. W.'s and the Socialists in your State?

Mr. KENNEDY. Mr. Duncan was elected openly by the I. W. W.'s in Butte.

Senator NELSON. And he was a Socialist?

Mr. KENNEDY. Yes, sir; he proposed all their meetings, carried on all their campaigns, and is now one of the national organizers in South Dakota of the Nonpartisan League.

Senator NELSON. Yes.

Mr. KENNEDY. Mr. Kennedy thought that it was a mistake for us not to engage Mr. Duncan, who is a very eloquent and brilliant man, a minister of the Gospel—or had been—to aid us in our campaign. Mr. Karl Weiss made objection to my attitude in refusing to employ Mr. Duncan as a campaign speaker for us, and went to my executive committee and complained that I was doing a good deal to throw the race.

Maj. HUMES. Mr. Weiss was the publisher of the German newspaper?

Mr. KENNEDY. He was the publisher of the German newspaper, the Montana Staats Zeitung, that subsequently was suppressed.

Senator NELSON. For disloyalty?

Mr. KENNEDY. Well, the State Council of Defense, Senator Nelson, felt it wise to suppress the publication of that and other newspapers in foreign languages during the war.

Maj. HUMES. You are connected with the State Council of National Defense, as I understand?

Mr. KENNEDY. Yes; I am the chairman of my county council of defense, and I was appointed by the governor, Gov. Stewart of Montana, early last year as the representative of the State government and the State council of defense in the field for the purpose of making addresses in the industrial centers of the State urging industrial harmony and the cooperation of all the elements of our commonwealth in behalf of the Government's war activities.

Senator NELSON. May I ask you one or two questions, Mr. Kennedy, for my own information?

Mr. KENNEDY. Yes, sir.

Senator NELSON. Was there, during this period or before, any effort to organize the Nonpartisan League? You know what that organization is in your State?

Mr. KENNEDY. Yes, sir.

Senator NELSON. And was there any affiliation between the Nonpartisan League and the Socialists and the I. W. W.'s?

Mr. KENNEDY. Answering directly, at Great Falls, on the 6th day of February, a year ago, there was held a mass meeting, called a Farmers' Cooperative Congress, to which we invited, as speaker, Gov. Frazer, of North Dakota, who headed the list; the leader of the I. W. W. organization in the city of Butte——

Senator NELSON. What is his name?

Mr. KENNEDY. His name is William F. Dunn. He is a somewhat notorious man in our part of the world. He is the editor of a newspaper called the Daily Bulletin.

Senator NELSON. Published where?

Mr. KENNEDY. The Daily Bulletin is the organ of the I. W. W. element in the State of Montana and is published in Butte, a publication that the national authorities took occasion to suppress, and the State Council of Defense ordered suppressed for sedition. Mr. Dunn is now awaiting trial in the city of Helena on a charge of sedition.

Senator NELSON. These were all gathered at Great Falls. Now go on and tell us more about that.

Mr. KENNEDY. To be brutally frank about it, Senator Nelson, it was just a real Bolshevick picnic. They lambasted everybody that had much interest in our part of the world. They resolved to take away from the people that had two shirts, one of them, and give it to people that had one, and they did the usual things, much the same as they did in Chicago the other day, with about the same class of results.

Senator NELSON. Did they succeed in organizing many of the Nonpartisan Leaguers there?

Mr. KENNEDY. In the eastern part of the State of Montana they succeeded in getting several of the agricultural counties overwhelmingly into the organization, but in the western part of our State they made but little progress. In some of the counties of the State—in my county, for instance—we probably violated all the constitutional provisions of State and Nation, but we refused to allow them to hold meetings under our organization, the Council of Defense, and ran the organizer out of the county.

Senator OVERMAN. What county is that?

Mr. KENNEDY. County of Lincoln. He cranked up his Ford and went.

Senator NELSON. You did credit to the name of Lincoln.

Senator OVERMAN. What is the county seat?

Mr. KENNEDY. Libby.

Senator NELSON. Was there any affiliation or cooperation, direct or indirectly, between these Nonpartisan Leaguers, the Socialists and the I. W. W.'s in your State?

Mr. KENNEDY. Yes; there has been a close affiliation between the I. W. W. and the Nonpartisan League people in our State.

Senator NELSON. What was their tendency as to loyalty or disloyalty? You know what I mean?

Mr. KENNEDY. Disloyalty, sir.

Senator NELSON. Disloyalty?

Mr. KENNEDY. Unhesitatingly.

Senator NELSON. And that was the disposition of the leaders of the Nonpartisan League, in your State?

Mr. KENNEDY. I would not like to say that, sir. The men that they sent into the State of Montana for the purpose of organizing the Nonpartisan League were men who were tainted or branded with disloyalty in other parts of the Nation.

Senator NELSON. Do you remember the names of any one of them?

Mr. KENNEDY. Yes, sir.

Senator NELSON. Will you state them?

Mr. KENNEDY. Mr. D. C. Dorman. He is the State manager now. His voice was never heard through all this great struggle that this Nation has just passed through in favor of any activity of this Government, but there was a constant wail about the hardships that were imposed upon the struggling farmers who were only getting \$2 a bushel for their wheat.

Senator NELSON. Who else?

Mr. KENNEDY. Mr. Mills, who was at one time—I recall hearing him years ago—a very clever lecturer on Socialism, was a national organizer for the National Socialist Party. My memory is that he appeared in the western country with Mr. Debs when Mr. Debs was candidate for the Presidency at one time.

Mr. Martin, Mr. Robert Bruce Martin, whose utterances were so violently opposed to this Government that the mayor of the substantial city of Lewiston, Mont., served notice upon him that he could not appear at a public meeting there and make an address. The citizens of Columbus, in Stillwater County, without regard to party affiliation or standing in the financial world, assembled and notified Mr. Martin that he could not come into that town and make an address. He persisted in coming and he went and got a minister of the gospel who was in sympathy to go with him, and the citizens ran him out of town.

Senator NELSON. He was one of the organizers of the league?

Mr. KENNEDY. He was one of the organizers. In truth it might safely be said that most of the men who were sent into the State of Montana for the purpose of organizing the Nonpartisan League were men who had distinguished themselves conspicuously, some of them nationally, by their opposition to this Government during the war.

Senator NELSON. Major, I diverted Mr. Kennedy from your line of argument. I turn him over to you.

Senator OVERMAN. It was very interesting matter that you brought out.

Senator NELSON. Yes; very good matter. What disposition did these Nonpartisan Leaguers, the leaders and the leaguers—that means the leaders and the privates—manifest on this question of prohibition? What was their attitude?

Mr. KENNEDY. There was no public declaration, Senator Nelson, so far as I know. The individuals were largely of the agricultural class, and they are largely in favor of prohibition, as the vote shows in those sections. However, it is fair to say that the Nonpartisan League membership in Montana, by a very large percentage, consists of good, clean, industrious, decent citizens.

Senator NELSON. Misled by the leaders?

Mr. KENNEDY. The contention that I make, and some of the men in Montana who take the attitude that I do, is that these men are in bad company, led by men who are adventurers in the political world and designing to make for themselves a comfortable living at the expense of the farmer, who has substantial grievances.

Senator NELSON. There is no doubt that your diagnosis is correct.

Maj. HUMES. Now, Mr. Kennedy, as I understand it, the money that was spent by the United States Brewers' Association in Montana was largely spent directly in their own way, either through the German-American Alliance or in such manner as Mr. Kennedy might designate?

Mr. KENNEDY. That is true.

Maj. HUMES. It was not spent through your organization?

Mr. KENNEDY. Not one dollar.

Maj. HUMES. And in that fight they were blinded to every issue except the vote on that one question, and to accomplish their purpose in that they entered into alliances with the disloyal, seditious elements of the community in order to accomplish that purpose.

Mr. KENNEDY. Maj. Humes, that states very clearly what was the result, but I am not prepared to say that that was designedly done.

Maj. HUMES. Well, that was the effect, anyway.

Mr. KENNEDY. That was really the effect. The singular fact is that the records show that the men that they allied themselves with were men like those I have described, like Moersch and Weiss—men of that character. These were men that were apparently spending money in the State of Montana in the prohibition fight.

Maj. HUMES. I think that is all.

Senator NELSON. And they seemed to be more concerned—Moersch and others—about what we would call the German propaganda than anything else.

Mr. KENNEDY. These representatives, Senator Nelson, yes; but of course that was not with the design of the brewers.

Senator NELSON. No; I mean these representatives.

Mr. KENNEDY. Yes, sir.

Senator OVERMAN. Did you continue your connection, after that, with the organization?

Mr. KENNEDY. Mr. Chairman, I objected to some of these activities so strongly that I became annoyed and disgruntled, and I refused to continue in the fight, and about the first of September I quit the campaign and went to my farm.

Senator OVERMAN. We are much obliged to you.

Mr. KENNEDY. I am much obliged for the courtesy.

Senator OVERMAN. Your name is?

Mr. KENNEDY. J. M. Kennedy.

Senator OVERMAN. The other man's name is—

Mr. KENNEDY. I regret to say that his name is James B. Kennedy.

Maj. HUMES. No relation.

(Thereupon, at 4.40 o'clock p. m., the committee went into executive session, at the conclusion of which the committee adjourned on Tuesday, January 21, 1919, at 10.30 o'clock a. m.)

REWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, JANUARY 21, 1919.

**UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.**

The subcommittee met, pursuant to adjournment, at 10.30 o'clock a. m., in Room 226, Senate Office Building, Senator Lee S. Overman residing.

Present: Senators Overman (chairman), King, Nelson, and Sterling.

Senator OVERMAN. The subcommittee will come to order.

Senator NELSON. Mr. Chairman, I want to call the attention of the committee to what I conceive to be the great delinquency of the newspaper reporters, or the newspapers, I do not know which, in regard to what occurred at our last meeting. Most important testimony was taken on that occasion, that of Mr. Kennedy in reference to transactions in Montana, and scarcely a mention of it was made. I have looked through the leading New York papers and found nothing in regard to it there. Whether there was any mention of it by the Associated Press I do not know.

I think it is too bad, for the public and for this committee, that when we get important evidence like that, it should be utterly ignored.

Senator OVERMAN. You do not think that any of our newspaper men are Socialists or Bolsheviki?

Senator NELSON. I do not know whether that delinquency is chargeable to the reporters present at these hearings, or to the newspapers. I make no charges against anybody, but I say it is too bad that the most important evidence we have had given here for many days was utterly neglected and not referred to in the public press.

Senator OVERMAN. And furthermore, I recall that Senator Nelson, at the time, called attention to the fact that this was very important testimony just at this time.

Senator NELSON. Yes.

Senator KING. I have had a number of letters, Mr. Chairman, complaining of the newspaper reports, and also stating that there seemed to be a disposition on the part of Congress, as well, to minimize the activities of the Bolsheviks and sinister influences in this country; sort of looking with toleration upon the I. W. W. and the destructive and revolutionary influences in this country.

Senator OVERMAN. I have had presented to me a paper in which was paraded over this country, "The War Is Over. Now for the revolution!" All people ought to be informed about that and know what is going on in this country. There is a great placard here right

now of that kind. I do not know whether we can go into this question right now, under our resolution, and investigate Bolshevism, etc. That is a question.

TESTIMONY OF MR. THOMAS J. TUNNEY.

(The witness was sworn by the chairman.)

Maj. HUMES. Mr. Tunney, what is your business?

Mr. TUNNEY. I am an inspector of police, attached to the police department of the city of New York.

Maj. HUMES. Will you state if, at the outbreak of the war, or prior thereto, you were detailed for duty to Military Intelligence.

Mr. TUNNEY. I was; not at the outbreak of the war, but shortly after the outbreak of the war and the declaration of war against Germany by the United States.

Maj. HUMES. And when you were detailed to Military Intelligence, under whose orders did you operate?

Mr. TUNNEY. Col. Van Deman.

Maj. HUMES. He was the chief of the Bureau of Military Intelligence?

Mr. TUNNEY. He was.

Maj. HUMES. And did you afterwards operate under instructions from Gen. Churchill and Col. Biddle in charge of the New York office?

Mr. TUNNEY. I did.

Maj. HUMES. What particular work did you have charge of in Military Intelligence?

Mr. TUNNEY. To visit and attend the various police chiefs throughout the United States, police officials at conventions, police officials attached to railroads, and to get their active cooperation with the War Department in aiding the Government in the production and the manufacture of munitions and other essentials for the active prosecution of the war.

Maj. HUMES. Did you, in connection with your work, have any connection with the investigation and discovery of crimes and violence, or attempted violence, on the part of persons unfriendly to the United States?

Mr. TUNNEY. I did.

Maj. HUMES. Now, Inspector, will you outline to the committee in your own way, the activities in which you engaged in that line and the discoveries which you made of acts of violence or attempted violence on the part of persons whose interests were adverse to those of the United States?

Mr. TUNNEY. I will. Prior to the United States declaring war on Germany and after the European war broke out, I was in charge of what was known as the neutrality and bomb squad. I was assigned by Col. Woods, former police commissioner of the city of New York.

One of the first cases in which a German was involved in connection with committing outrages was that of a man by the name of John Holt, otherwise known as Eric Meunier, a professor of German at Columbia University. In July, 1915, he planted a bomb in the Capitol Building, here in Washington, and the following morning

he shot Mr. Morgan in his summer home at Glen Cove, Long Island. When questioned as to why he placed the bomb in the Capitol he said he wanted to show this country how dangerous dynamite was, and the only place in which he could plant it so as to awaken the people of the United States was in the Capitol Building, and that the small amount that he used there would show them how dangerous it would be when a large amount was used under similar circumstances. He said his purpose in placing that bomb there was to prevent the shipment of explosives to the allied governments; that if the United States stopped the shipment of munitions and supplies, the war would stop, that Germany would win, and there would be no more to it.

The next case in which Germans were involved——

Senator NELSON. What did he have to say about shooting Morgan, if anything?

Mr. TUNNEY. Oh, yes; he said that he did not intend to shoot Morgan; that he intended to make his family hostages until such time that Morgan would go out and pledge to him that he would stop, or help stop, the shipment of supplies and munitions to the allied Governments.

The next case was that of a lieutenant, known as Robert Fay. Fay was a lieutenant in the German Army, and came out here in April, 1915. He said that he had been excused by his Government, after the battle of the Marne, in which he had participated, as he would be more serviceable to the German Government in the United States in stopping the shipment of arms, supplies, and munitions to the allied Governments. He said that he got in touch, in Germany, with a German secret agent named Jonnarson, who gave him \$4,000; and that after he came here he reported to Capt. Von Papen and Capt. Boy-Ed.

In October, 1915, he was apprehended by members of my squad and myself. He had four mines already made. He had several hundred pounds of explosives. The mines were to be attached to the rudder posts of ships in New York Harbor, and by a mechanism he had attached to those the mine was to explode after the ship was several days out, through the movement of the rudder of the ship. He was to have them covered with rubber gaskets, to make them water-tight. He had the firing pins and clockwork and rifle cartridges all fixed in place and ready, so that when the spring would be released the whole machine would explode. He said his intention was to just blow off the rudder and the propeller of the ship. But the lieutenant from our Ordnance Department said it would blow off the whole stern of the ship and that it would sink immediately. Fay said he could put 91 pounds of T. N. T. in each infernal machine, and the American lieutenant who testified for the Government said that the United States only used 100 pounds in mines to blow up a breadnaught, 15 feet under the water.

Associated with Robert Fay was his brother-in-law, a man named Valter Scholz, another man known as Paul Daesche, and also Max breitung.

Senator NELSON. He was a Michigan man, was he not?

Mr. TUNNEY. No; he was a German.

Senator NELSON. I know, but was he not located in Michigan?

Mr. TUNNEY. He was in Michigan and Chicago and came on New York at the time of the arrest of the others and was apprehended. Then there were also Dr. Herbert Kienzle and Ed Bronkhurst. Kienzle was connected with the Kienzle Clock Co. of New York and Berlin, and he supplied the springs for the bolts. Fay said that if he had not been apprehended at the time, he guaranteed that not one ship would leave New York Harbor, and that he would then strike the seaport towns, Boston, Philadelphia, New Orleans, and the Great Lakes, Chicago on the one side and Buffalo on the other, and that then he was going to the Pacific coast. He was very anxious at that time that it should not become public. He wanted to bribe one of the officers. He said there was no amount fixed, but that any amount could be had "if you will wait until the banks open to-morrow morning, fifty or one hundred thousand dollars."

Senator OVERMAN. Did you ever pursue that man Jonnarson who gave Fay those instructions?

Mr. TUNNEY. No; we never could locate him. He was in Germany and he was a German agent.

Senator OVERMAN. He was in Germany?

Mr. TUNNEY. In Germany; yes. I think Fay subsequently made his escape from Atlanta prison.

Senator NELSON. What is that?

Mr. TUNNEY. Fay escaped from Atlanta prison. He had been convicted and sentenced to eight years' imprisonment.

He was finally located in Spain and brought back to the United States. He said that Capt. von Papen had supplied him with money here, and that the 25 pounds of trinitrotoluol that he was going to secure before he was apprehended was for von Papen to blow up some munitions plants in New York; that he was not going to use that in the mines.

Senator OVERMAN. Did you find out where he got the trinitrotoluol—or however you pronounce it?

Mr. TUNNEY. It is usually known as T. N. T.

Senator OVERMAN. Where did he get it?

Mr. TUNNEY. He got that down at Perth Amboy. That was resupplied, after he had made an arrangement to secure it, by one of my men, who went down there to find out what he was going to do with it, and in that way he was trusted, and he took some of it over into the woods at Fort Lee to test it with the fulminate of mercury caps, otherwise known as detonators, and while testing it he was apprehended, and his associates afterwards.

The next case was of a man known as Paul Koenig. That was December, 1915. He was connected with the Hamburg-American Line, and has a distant relative by the name of George Fuchs.

Maj. HUMES. May I interrupt you?

Mr. TUNNEY. Yes.

Maj. HUMES. What was Koenig's position with the Hamburg-American Line, do you remember?

Mr. TUNNEY. He had the employment of men to watch and clean up anything connected with the line.

Maj. HUMES. He was the head of the intelligence department of that line, was he not?

Mr. TUNNEY. At that time, but he was subsequently made head of the secret service of the German Government, according to a note in his memorandum book made after the European war broke out.

Maj. HUMES. All right. Proceed.

Senator OVERMAN. The head of the secret service in this country?

Mr. TUNNEY. In this country; yes.

On December 30 he went to Niagara and he sent Fuchs over to Canada to get a line on the locks of the Welland Canal, to find out exactly where they were located and how they were guarded, with a view to blowing them up. He also had in his employ a man named Frederick Schlendel, who was a German reservist. He was employed in the National State Bank in New York. Some time previous to his meeting Koenig he reported to the German consul's office in New York as a German reservist, giving his full name, the regiment that he was previously attached to, where he was living, where he was employed, and the kind of employment he was working at. Some time thereafter a German met him, one day after he left the bank, and told him to report to a German friend in a hotel on Forty-second Street. He went there and he met Paul Koenig under the name of Hansen. Koenig instructed him that he should procure the cablegrams that came there from the various allied Governments, find out exactly what they were purchasing and from whom they were purchasing, also a copy of the express receipts when the munitions and other supplies were delivered on the pier for shipment. This he did for several months, until he was apprehended. He also kept dynamite and other explosives in the National City Bank, which he brought in there in a dress-suit case.

Senator NELSON. He was an employee of that bank?

Mr. TUNNEY. He was in the foreign department. He said that dynamite was given to a Russian named Schwarz, also known as Mizius, who was born in Riga, of German parents, and that he was to take that to blow up munition plants. He did not know exactly which plants he blew up, but he commenced to cry and thought that he blew up the Dupont's plant, down in Delaware, in which 19 men were killed. We have been unable to locate Schwarz up to the present time. Paul Koenig was known as Triple-X and had about 10 aliases. In making appointments with these men he had a code. If he said he would meet them at the Pabst Hotel it meant the Manhattan Hotel, and so on. He used to change that regularly. He was known under a different name to each of his operators.

Senator NELSON. Did you, in your operations, come in contact with Detective Burns?

Mr. TUNNEY. No; I did not. I might also add that Schlendel said they kept a cache—in which he said all kinds of explosives were kept—in the woods in Tenaflly, N. J. I went there with him and we found a rock in which there was a cave, and did not find any explosives. He said they must have removed the explosives after his arrest. I might add at this time there was a man named Franz Schulenburg—I did not know his name at this time, but I subsequently ascertained his name in San Francisco, Cal. Fuchs told me that he followed (with two other men) a man, a German, from the German club in New York one night, to Meyers Hotel, in Hoboken, and they were told to search him and take papers he had away from

him and deliver them to Paul Koenig. He described this German as a man about 45 years of age, with a blonde vandyke beard, and a blonde mustache.

Two years later, in December, 1917, Schulenburg was arrested by the police and Military Intelligence at San Jose, Cal. I was out at that time testifying in the German and Hindu plots, and I took him in the Military Intelligence office there, and spoke to him. Lieutenant Barnetz, who was with me, and who made the investigation at that time, remembered his description as supplied by Fuqua, and I spoke to him along that line and he finally admitted that he got \$4,000 from Von Papen, in Seattle, to buy a ton of dynamite, rifles, and 50 silencers, in the spring of 1915. The dynamite and rifles he had delivered to a Hindu named Ram Singh, who was to meet him with 200 other Hindus at a place called Sumas. Was right on the Canadian border.

Ram Singh shot and killed Ram Chandra in the United States courthouse in San Francisco. He said that when he went to San Francisco he bought about 500 sticks of dynamite, 3 rifles, and 3 silencers, and that he received a letter from the German consul there to wait for further orders. He became intoxicated, and somebody stole some of the money. Then he went back to the German consul's office in San Francisco, and wanted some money, and Von Brinken, attached to Von Bopp's office there, gave him \$110.

He went from there to the German consul's office at Seattle, where he originally met Capt. Von Papen, and he received another \$110 there, and he says that he then went on to New York.

That was in December, 1915.

He said he could not see Capt. Von Papen in the German consul's office there, so he went to the German club, and there he saw Capt. Von Papen, but Capt. Von Papen refused to talk to him except in public, and he said he left there and went back to Meyer's Hotel in Hoboken, when three men followed him into the room and searched him, and said they were secret service detectives, one of them speaking German to him, and he said they offered him \$5,000 if he would give them anything on Von Papen or Von Bernstorff. He said he could not tell them anything, and that he did not tell them anything.

He said the next day a German came in, that he did not know, and gave him a ticket to Mexico, and \$5 to buy whisky, and that he went to Mexico, and from there that he went to California, and was around there for about two years with a horse and wagon carrying the dynamite and the rifles and silencers, until he was apprehended.

The next case in question was that there were numerous accounts in the newspapers of bombs being found on steamships leaving New York Harbor, and sometimes the steamships went on fire in the harbor, and sometimes they went on fire at sea, and sometimes at piers in France and in England.

There was one account, particularly, about some bombs that failed to go off that were found at Marseilles, France, on a steamship that sailed from Brooklyn, N. Y.

Commissioner Wood, at my request, sent a cablegram over to the French police at Marseilles to send back one of the containers, and also an analysis of the ingredients, in order to aid us in the investigation of those crimes.

That was returned in about two months and sent to the French ambassador, and from him turned over to the State Department, and from the State Department sent to the mayor of New York, and from the mayor of New York to the police there, and from the police to me.

That came in very handy here afterwards, and was used as a connecting link in apprehending about 12 or 15 of those men who were responsible for these crimes and convicting them.

There was a man named Charles von Kleist that one of my men who spoke German and was a German himself became acquainted with. He was very anxious to notify von Igel that a man, a doctor known as Walter Scheele, did not treat him right, although he had rendered valuable service to the Fatherland. This detective, Barth, told him that he was a German agent, and that he would be glad to bring all the information to von Igel and see that he was properly treated.

He finally told him about placing bombs on various steamships, and brought him one of the containers that he had buried in his own yard. He said Scheele had received \$10,000, he thought, from Capt. von Rintelin.

He then went into details, showing that the bombs were made on the steamship *Friederick der Grosse*, the North German Lloyd Steamship Co.

He said the chief electrician there, known as Ernest Becker, made the bomb containers, and that he made several hundred of them, and that he brought them, from time to time, to Scheele's laboratory in Hoboken, where Scheele filled them with a powdered substance and a liquid substance. The bomb itself was made of lead, with a zinc compartment in between. The sulphuric acid that he used would have no effect on the lead, but it would, in the course of time, burn through the zinc partition, coming in contact with the explosive powder on the other side and setting it on fire and destroying the bomb itself in the flames, leaving no trace whatever of what caused the fire.

At that time Capt. Wolpert, superintendent of the Hamburg-American Line, or the Atlas Line, which was a subsidiary of the Hamburg-American Line in New York—the bombs used to be delivered to him by Becker, after Scheele filled them.

Another captain, called Eno Bode, who was the superintendent of the Hamburg-American Line in Hoboken; Karl Schmidt, the chief engineer of the *Friederick der Grosse*; William Paredis, Frederick Barbade, and George Pradel, three of the four engineers on the *Friederick der Grosse*, were all apprehended, and they were all subsequently convicted.

The bombs continued after the arrest of Fay, and after the United States declared war on Germany there were still some bombs placed on ships, and through a memorandum book found in the possession of Paul Koenig, which contains the names of various of these bomb lotters, we found a man by the name of Bonford Boniface.

I sent for him and brought him in, and he told me that he was employed by Karl Schimmel, who had a law office at 51 Chambers street, and if I could get in touch with him and with a lawyer named Martin Illson, on the New Yorker Herold, that he could supply

me, he thought, with information about a man that would connect with some remaining bomb plotters. Bonford said he got \$25 a week from Schimmel. The money was paid to Schimmel by von Rintelen.

He said that von Rintelen gave Schimmel the money and that it was simply to look after the sailings of the ships, and the kind of munitions or supplies that they carried, and reported it back to Schimmel.

Illsen supplied me with the name of a man named Uhde, who he claimed was very friendly with Schimmel, but he did not know where he lived, but that he was a lithographer by trade. A couple of men in my squad, after several months, located him in a furnished room in Brooklyn, and he then supplied the name of Eugene Reister who ran the restaurant in the labor lyceum in Brooklyn, and afterwards owned the German Masonic temple in New York. Reister said the original conspiracy was hatched in Schimmel's office, in which it was arranged to destroy ships and cargoes by placing bombs on board. Von Rintelen, at that time, was indicted in connection with them; and in October, 1917, Bonford Boniface, Eugene Reister, Walter Uhde, and a man named Peter Zeffert. Von Rintelen was tried again with the other defendants and they were all convicted.

Senator OVERMAN. Von Rintelen was convicted a second time?

Mr. TUNNEY. He was not tried the first time in this case. He was tried the second time.

There was a man known as Sternberg, who came to this country with Capt. Rintelen, who was also indicted, but he is now in Germany. He escaped from here in disguise, I understand. He brought over some glanders germs at the time he came here with Rintelen and a man known as Herman Ebling—who is now interned, was arrested at that time—became a witness for the Government, and said that Capt. Wolpert gave him the glanders germs and told him to shove them up under the nose of every third or fourth horse he would see on the stockades and along the ships or water fronts. This, he said, he did not do, because he did not like the idea and he threw it overboard.

Senator OVERMAN. Who was the man who gave him the glanders germs—Capt. Wolpert?

Mr. TUNNEY. Capt. Wolpert, who is one of the defendants in this case, and was the superintendent of the Atlas Line, a subsidiary of the Hamburg-American Line.

Senator OVERMAN. Did you ever ask him about it? Did he deny it?

Mr. TUNNEY. He admitted that he got the germs from Capt. Wolpert, but he said that he did not use them but threw them overboard.

Senator OVERMAN. Did Capt. Wolpert ever admit that he gave them to him?

Mr. TUNNEY. He refused to make any statement from the time that he was apprehended until he was tried, except that I said to him: "Why do you Germans use this country and violate our laws here, creating a lot of prejudice against yourselves by planting bombs on ships and destroying property and probably destroying life?" He said: "You know, these bull-headed Dutchmen want us to do things, but I quit this work altogether last June." I said

him if he knew Fay and he said yes; that he met him once with Rintelen. I said: "Isn't his name 'von Rintelen'?" And he said: "There is no 'von' about it. He is just Rintelen." He said he met him once. I said: "Fay told me that while he did not know the men who were putting the bombs on the ships, he knew the men who were putting up the money for the bombs, and that they were not sufficiently effective, and that was why he came here from Germany, was to make real bombs." He made no reply to that.

Senator STERLING. He was the man, was he not, that was to make the real bombs?

Mr. TUNNEY. Fay; yes. He was going to make the bombs that would blow up the stern of the ship. He had them made, in fact, and he said that he guaranteed no ship would leave this country after he got through, unless he was apprehended.

There was a man known as Ernest Schiller, who was what they called the pirate-ship man.

He went on a ship in Hoboken in April, 1916, and after it passed Sandy Hook he held up the captain and the crew; and seized the ship and stole the ship's papers and the money, demolished the wireless, and made them put him off off the Delaware coast.

He had planned with two other Germans—but they failed to show up—to seize another ship. Then he went on board the ship and remained locked up or under the canvas of a life boat for four or five days, until the ship pulled out. He was subsequently tried and sentenced to life imprisonment.

Senator NELSON. As a pirate?

Mr. TUNNEY. As a pirate; yes.

There were two other Germans planning to blow up Black Tom a second time. They were apprehended before the conspiracy was carried out, and they were both convicted.

Senator OVERMAN. They were planning to blow up Black Tom, you say?

Mr. TUNNEY. Yes; that is a port in New Jersey, from which they used to ship these high explosives. It was blown up once and they were planning to blow it up a second time. I do not know whether the first blow up was an accident, or whether it was caused by other causes.

The next case in which I became interested was that of the Hindus. We received information of a man known as Dr. Chandra Chakraborty. On looking him up we found that he had no high explosives, but he did say that he had been over in Germany, and was sent over here to confer with the German oriental minister, and he spoke to Dr. Zimmermann and the oriental minister named Wiesendrank, and also with the Hindu German committee there; that he received a thousand dollars in United States currency there to come back here. He went over on a Persian passport and he came back the same way on the Norwegian-American Line.

When he returned he received \$60,000 from Von Igel, to be used for organizing the Hindus here in a movement against the British Government in India.

He said a German named Sekunna used to go down there to get the money, \$5,000 from time to time, as it would be suspicious to see him go down to Von Igel's office, he being a Hindu.

He said he did not have any direct connection in the shipment of arms and ammunition from here to the coast, but that Capt. Tarscher attended to that, Von Igel and von Papen, and that the German consul, Bopp, and Ram Chandra, attended to it in San Francisco.

The arms and ammunition that were sent out there to the *Albatross* were subsequently returned to New York and placed in storage. They could not reach the German raider with it.

Senator OVERMAN. What was the purpose of sending the explosives to the western coast?

Mr. TUNNEY. They were going to load it on the steamship *Marinka*, a German raider, to be sent into India by way of the South Sea.

Another Hindu was apprehended at the same time, named Haramba Gupta, who was a student in Columbia College. He had received \$16,000 from Von Papen and tried to arrange there to ship on some ammunition from there to India. He said that Capt. Von Papen told him that he would help him out by sending arms and ammunition by way of the South Sea from the United States.

Chakerverty was subsequently tried and convicted in San Francisco, and Gupta was subsequently tried and convicted in Chicago, with some German agents who had arranged at that time to meet Capt. Cook, the North Pole explorer, and assassinate him there and take his papers, and pass off as him.

They met in the Philippine Islands for that purpose, but they never carried that out.

Senator OVERMAN. What was the name of this fellow who killed somebody in the courthouse out on the Pacific Coast?

Mr. TUNNEY. That was Ram Singh. He was the man who the man Schulenburg thought von Papen gave the money to, to receive the dynamite and the silencers and the rifles at Sumas, Wash.

Senator OVERMAN. Who was the man he killed?

Mr. TUNNEY. He killed Ram Chandra, another Hindu agent. Why he killed him I do not know, but one of the rumors was, if I may say so—I do not like to talk about the rumors—

Senator OVERMAN. It is just for my own information.

Mr. TUNNEY. He thought that he got away with too much money and appropriated it to his own use.

There were 29 convicted in San Francisco, at that time, I think, and 5 in Chicago, in connection with those plots.

Senator OVERMAN. Germans and Hindus?

Mr. TUNNEY. Germans and Hindus only. One of the Hindus in this case was named Har Dyall, in this plot, and when Emma Goldman and Alexander Berkman were arrested in June, 1917, for conspiring to defeat the selective draft act, a letter was found in Berkman's office in One hundred and twenty-fifth Street, wherein Dyall wrote asking him to supply, to be sent to Holland, some anarchists that he wanted to use them. He mentioned particularly a fellow named Frank Tannenbaum, who had been convicted in New York for raiding churches, going around with the I. W. W. element there, and mentioned the number he was going to send, but put a couple of naughts after the number to throw off suspicion, and said that he was going to pay all their expenses, and pay them well.

He said if Berkman did not know the names of the leading anarchists in England, France and Italy, Germany and Austria, to go

Emma Goldman and procure the names, and to send him letters of introduction to them; that he was going to use them along his line of work.

We apprehended and secured evidence against Emma Goldman and Alexander Berkman, and they were subsequently convicted for trying to defeat the selective-draft act.

Senator OVERMAN. Did you find a list of those people?

Mr. TUNNEY. Yes; we found this original letter that was used in the testimony in the Hindu case in San Francisco, and was also used against Emma Goldman and Alexander Berkman in the trial in New York.

Senator OVERMAN. Where is Emma Goldman now?

Mr. TUNNEY. She is in prison, at Jefferson City, Mo.

Senator NELSON. In a safe place?

Mr. TUNNEY. Yes. She was ordered by the trial judge to be deported after her term expires—both she and Berkman.

Senator OVERMAN. What is her native country?

Mr. TUNNEY. I think she is a native of Russia.

Senator OVERMAN. She is ordered by the court to be deported after her term is up?

Mr. TUNNEY. Yes; that was ordered by the trial judge, with regard to both Emma Goldman and Alexander Berkman. There was some doubt as to whether she was married to an American citizen or not.

Senator OVERMAN. What age woman is she?

Mr. TUNNEY. She is a woman about 46 years of age; a very able and intelligent woman and a very fine speaker.

Senator OVERMAN. I know something about her, of course. How long has she been in this country?

Mr. TUNNEY. Nearly 30 years.

Senator OVERMAN. She is a fine speaker, you say?

Mr. TUNNEY. Yes; she is a very fine speaker.

Senator NELSON. She speaks good English?

Mr. TUNNEY. She speaks English very fluently. In fact, I have heard newspaper men say that she is a master of the English language. She and Berkman defended themselves on their trial, and they put in a very able defense, and their cross-examination of the prospective jurors was particularly noticeable.

Senator OVERMAN. Is she a handsome woman?

Mr. TUNNEY. No; she is not. I would not call her a very homely looking woman, either. She was a rather good-looking woman when she was young. She is a very stout woman.

Leon Trotsky, before he left New York, was a great associate of Emma Goldman and Alexander Berkman.

Senator OVERMAN. That is the Russian leader?

Mr. TUNNEY. Yes.

He called a meeting of the German socialists and Russians at the Harlem River Park Casino, at One hundred and twenty-second street and Second Avenue, on the night of March 26, 1917, after the breaking off of the diplomatic relations between the United States and Germany, and he spoke in both German and Russian that night, and this was the substance of his speech.

Senator STERLING. Who is that?

Mr. TUNNEY. Leon Trotsky.

Senator OVERMAN. The foreign minister of the Bolsheviki.

Mr. TUNNEY. He said: "I am going back to Russia"—he was going the next morning with about 35 or 40 of his associates, the names of whom, I believe, the Military Intelligence has. There was a report submitted to Gen. Churchill, and previous to that to Col. Van Deman. He said:

I am going back to Russia to overthrow the provisional government and stop the war with Germany, and allow no interference from any outside governments.

And he said:

I want you people here to organize and keep on organizing until you are able to overthrow this damned, rotten capitalistic Government of this country.

He did leave, the next morning, with his followers, on the Norwegian-American Line; and from that date until June 1, about 40 Russians left with various leaders, and they also went back there to roast the American commission that was over there at that time.

Two of the men who are now in the Government over there were connected with newspaper publications in New York. One of them was named William Schatoff, and is commissioner of railroads.

Senator NELSON. Commissioner of railroads where?

Mr. TUNNEY. In Russia, now. Also, I understand, he is the executioner there in the place of Uritski, who was assassinated by a woman sometime ago in St. Petersburg.

There were some American boys coming out of St. Petersburg and one of them told me that he came up to them and spoke English to them, and said to give his regards to Broadway, and had the train go back to St. Petersburg, and kept them there until the next morning.

The other fellow, Wallen, was connected with the publication of Novymir and Golatruda, Russian publications.

Senator NELSON. Russian publications in this country?

Mr. TUNNEY. Yes.

Senator STERLING. Who else, may I ask, inspector, accompanied Trotsky at this time?

Mr. TUNNEY. I can not tell you the names, Senator, but the Military Intelligence has a complete list of them, or a copy of them. You can get a copy if they have not, from New York.

Senator STERLING. Did Lincoln Steffens accompany them?

Mr. TUNNEY. No; no Americans accompanied them at that time. They were all Russians, but they were well-known anarchists, well-known to some of my men.

Senator OVERMAN. I wish you would repeat the statement that Trotsky made to them before he left this country.

Mr. TUNNEY. He said to keep on their organization here, and they would overthrow the Government of this country.

Senator NELSON. And knock out the capitalists?

Mr. TUNNEY. Yes. He called it the "damned, rotten capitalistic Government." Those are the words that he used.

Senator OVERMAN. Capitalistic Government?

Mr. TUNNEY. Yes.

Senator OVERMAN. Do you know whether they followed his advice, or whether they are going on with that work?

Mr. TUNNEY. Yes. I would not say that it is very effective, but that is the talk amongst a lot of the same followers now, sometimes in public and sometimes in secret conferences that they have.

Senator NELSON. You have a nest of those anarchists yet in New York, have you not?

Mr. TUNNEY. Yes, Senator; there are a lot of them there yet. I might say that five of them were, subsequent to the conviction of Emma Goldman and Alexander Berkman, apprehended for abusing the President and the Government of the United States, and in June they were convicted of violating the espionage act; and they were followers of Emma Goldman and were sentenced to 20 years apiece. That was just a few months ago.

Senator OVERMAN. What was Trotsky doing in this country before?

Mr. TUNNEY. He was always talking to the Russians on organization. He was connected with that newspaper publication, the Novy Mir, and was very often delivering lectures both to Russians and Germans on anarchy while he was here—radical socialism. He believed in the overthrow of all governments.

Senator NELSON. He spoke German as well as Russian?

Mr. TUNNEY. Yes; very fluently.

Senator NELSON. What was his nationality?

Mr. TUNNEY. He is a Russian.

Senator NELSON. Was he a Slav or a German?

Mr. TUNNEY. He is a Russian.

Senator NELSON. A Russian?

Mr. TUNNEY. A Russian Jew; but they do not believe in any religion, of course. They are just as much opposed to the Jewish religion as any other. They call themselves "Internationalists."

Senator OVERMAN. Did he speak English as well as Russian and German?

Mr. TUNNEY. He spoke very little English.

Maj. HUMES. You say that these followers of Emma Goldman and Alexander Berkman were convicted and sentenced to 20 years?

Mr. TUNNEY. Yes.

Maj. HUMES. Do you remember what the sentence was that was imposed on Emma Goldman and Berkman?

Mr. TUNNEY. They were sentenced to two years each, which was the maximum sentence under the law at that time, the espionage act not being at that time in effect.

I also remember that the sentence imposed on the bomb plotters was a year and a half each, which was the maximum sentence under the law at that time; and then it was a subterfuge to get to try them under that, because it was never intended for criminals, but for legitimate shippers of explosives—in other words, that they should certify the common carriers that they were shipping explosives and comply with the Federal laws on that subject.

Maj. HUMES. They were prosecuted under the act prohibiting the shipment of explosives in interstate commerce?

Mr. TUNNEY. Yes.

Maj. HUMES. That was the only act under which they could be prosecuted at that time?

Mr. TUNNEY. That was the only act under which they could be prosecuted at that time.

Emma Goldman and Alexander Berkman were convicted under the old conspiracy act, which was the only one under which they could be convicted.

Maj. HUMES. Section 37 of the Criminal Code?

Mr. TUNNEY. I think that is the section, yes; but I am not sure.

Maj. HUMES. That was before the espionage act went into effect.

Mr. TUNNEY. It was.

Maj. HUMES. That would be the situation that would exist in this country at the termination of the war, with the lapse of the espionage act?

Mr. TUNNEY. It would.

Maj. HUMES. Yes. Proceed.

Senator OVERMAN. Your opinion is, then, that after the present war is over and after the expiration by limitation of the espionage act, this country would be practically helpless against anarchists?

Mr. TUNNEY. Except for the State laws.

Senator OVERMAN. Yes.

Mr. TUNNEY. Now, in New York, in regard to explosives, there is a very good law there; that is, with reference to the use of explosives in attempts to destroy property, the offense being punishable by a maximum imprisonment of 25 years.

Senator OVERMAN. That is under the State law. But that is not the Federal law.

Mr. TUNNEY. That is not the Federal law; and in fact there is no law at all outside of the espionage act. That imposes a maximum imprisonment of 20 years and a fine of \$10,000.

Senator OVERMAN. Proceed.

Mr. TUNNEY. I think, Mr. Chairman, that I have pretty nearly told you all I know. There is one other case I will mention, that of a man known as Capt. Fritz du Quesne. He was a Boer by birth, born in South Africa. He went from the United States to Brazil in 1913. He was previously in the Boer war and was made a prisoner by the British, and escaped from Bermuda. He went there with two men, a man by the name of Thwaites and—I just forgot the other man's name—supposedly to take moving-picture films in South and Central America. While down there he met Lieut. C. Martin, who was the military attaché of the United States embassy assigned to the Brazilian commission. Sometimes du Quesne tried to pass off as an American secret service detective and sometimes was dressed up in an American naval uniform. He went down there and he had some films insured for \$80,000, and while there he sent a telegram to the Associated Press that Capt. Fritz du Quesne, Thwaites, and his other associates were murdered by hostile Indians. He signed that "Frederick Frederick." The Associated Press went back for confirmation and he confirmed it himself, again signing "Frederick Frederick." [Laughter.]

In February, 1916, he hired some natives from a place called Bahia to carry these films. His two associates were killed down there, but not he. He hired some natives to carry these films to:

report in Brazil, and he discharged them about a mile from there and he put the alleged films aboard the steamship *Tennyson*, of the Lamport & Holt Line, and after that steamer was three days out there was a time bomb exploded and killed three sailors, and they had to put back to port. Then his wife went and filed a suit for \$80,000 for the films.

In the meantime he came back to the United States again and went over and lived in Jersey under the name of Fordham. He was supposed to buy some films under that name in Brooklyn and put them in a storehouse. Instead of that he put some chalk statuary there, and he tried to bribe the watchman to let him get in, and he could not let him in and finally the storehouse was burned down, films and all. He commenced suit for \$30,000 for the films.

He had a letter from the German consul in Brazil, claiming that he had rendered valuable service to the Fatherland on several occasions, giving him a great send-off from Brazil.

My apprehensions began to be aroused because he was dressed up, and around collecting money for the Red Cross and other societies, as a captain of the Royal Austrian Light Horse Artillery. He had four stripes on his arm that he claimed were for wounds that he had received in France and Belgium; but he was doing more for himself than anybody else. He got acquainted with another captain who was a fake—said he was a British captain—and the funny part of the proceeding was that each one of them thought that the other fellow was on the level, and neither of them knew that they were both fakirs. [Laughter.]

So that Du Quesne came in one day, and he was all excited, and he says: "My God, somebody has been at my papers, and if German spies get at those papers they will have all the information, and every transport and every troopship that goes over will be sunk by the Germans."

The other fellow got a little alarmed and got in touch with my office, and then the whole story came out. He tried to fake that he was insane, and he was sent to the State Insane Asylum in New York, and they concluded that he was all right, and he came back again and plead guilty to the fraud charge, and he is now indicted and waiting extradition to England for murder in connection with the killing of the sailors on the steamship *Tennyson*.

I think that is all, gentlemen.

Maj. HUMES. You have referred to the activities of Walter Scheele. Do you remember the name that he used to use in New Jersey in connection with his operations?

Mr. TUNNEY. That is the name, Scheele?

Maj. HUMES. What company name did he adopt? Was it the New Jersey Agricultural Co.?

Mr. TUNNEY. New Jersey Agricultural Chemical Co.; that was the name.

Maj. HUMES. That was the name that he operated under in New Jersey?

Mr. TUNNEY. Yes. They were first supposed to be shipping fertilizer, which was sent to neutral countries, and from there into Germany.

Maj. HUMES. What do you know about activities, since the armistice, on the part of these people, the anarchists and others?

Mr. TUNNEY. They are very active. They hold secret meetings and they plan to organize and disseminate propaganda by means of newspapers, small pamphlets, and letters, and later on adopt other methods, which they have not decided on up to the present time.

Senator STERLING. Is there evidence of renewed activity on the part of these anarchists, Mr. Tunney, since the armistice was signed?

Mr. TUNNEY. There is, Senator; there is evidence, but not sufficient to proceed against them up to the present time, without the right kind of witnesses. You sometimes get this information from a secret agent that you can not get him to testify to, because it takes years to get on the inside to find out certain things. I destroy his evidence after you use it in one case, and probably jeopardize his life. Sometimes people think a man's life does not amount to much if he accomplishes a whole lot of good; that is, a man is willing to give up his life for the cause of his country.

Maj. HUMES. Do you know anything about the activities of Lenin in this country?

Mr. TUNNEY. No; I never found any of Lenin's connection here; but I do know about Trotsky and the other people.

Senator NELSON. How old a man was Trotsky?

Mr. TUNNEY. I should judge Trotsky was a man, when he left here, of about 35 years of age.

Senator NELSON. What was his appearance?

Mr. TUNNEY. He was a typical Russian; black, bushy, curly hair, and very radical looking in appearance as well as in speech.

Senator NELSON. Was he a tall man or a short man?

Mr. TUNNEY. No; he was of medium height. I should judge he was about 5 feet 6 or 5 feet 7.

Senator OVERMAN. Was he employed in the hotels?

Mr. TUNNEY. No. I have heard that story. He used to write articles and probably did take on different jobs. I think he used to write articles for various Russian newspapers here.

Senator OVERMAN. Did he have any other employment?

Mr. TUNNEY. Not that I know of.

Senator OVERMAN. How long was he in this country?

Mr. TUNNEY. He was only in New York for a few months before he left. He had traveled somewhat through the United States. What he did in the other cities I do not know. I know only what he did in New York.

Senator STERLING. Did your activities lead you to investigate the newspapers in New York or anywhere else?

Mr. TUNNEY. No; no direct investigation. From time to time the foreign newspaper investigations were turned over to men who understood the language.

Senator NELSON. Did you see Viereck's "Fatherland"?

Mr. TUNNEY. No; I did not.

Senator OVERMAN. Who was connected with it?

Mr. TUNNEY. Weinstein. The name of Brailowsky.

Senator OVERMAN. Really the same man that owned it when Trotsky——

Mr. TUNNEY. Weinstein was associated with Trotsky in running it at the time Trotsky was here.

Senator OVERMAN. And he is now running it?

Mr. TUNNEY. Yes; he is now running that paper.

Senator STERLING. Did you at that time seize or take into your possession, Mr. Tunney, any material at newspaper offices which was meant for publication in newspapers of an anarchistic nature?

Mr. TUNNEY. You mean in the American newspapers, Senator?

Senator STERLING. Yes.

Mr. TUNNEY. No; I did not, with the exception of Emma Goldman's "Mother Earth," and the "Blast," which were published in England—two anarchistic publications. In fact, I never found any of the American or the English papers connected with this movement at all.

Senator NELSON. Did Trotsky appear to be a man of education or ability?

Mr. TUNNEY. That was his reputation among the Russian people who speak English, that he was a man of ability among his own people, and quite a leader of men.

Senator STERLING. Did you ever hear him speak, yourself?

Mr. TUNNEY. I did not, Senator. I saw him, though. But this information, that I am testifying to, was by one of my own men, not a stool pigeon, but a policeman who secured this information that I have testified to, and upon which he based his reports at that time. That was turned over at that time to the Military Intelligence, shortly after he made his speech, and I think they turned it over to the State Department. That is on information, however. I do know Trotsky was taken off the steamer at Halifax and detained for a couple of weeks. And while he was detained there people in New York held a protest meeting and demanded his release, and I think they sent a telegram to the State Department in Washington at that time—some of the other radicals did—and some time subsequent to that he was released.

Senator OVERMAN. What was the size of the meeting, do you remember, that made the protest?

Mr. TUNNEY. There were about 400 or 500 present. It was in a place called the Lyceum, 64 East Fourth Street, New York. It was in April, 1917, after the declaration of war. But there were over 1,000 present at the meeting the night before he sailed from New York, at the Harlem River Park Casino. Emma Goldman and Berkman were also present that night and listened to him speak.

Capt. LESTER. Do you know how long Trotsky was in this country altogether?

Mr. TUNNEY. No; I know he was in New York only a few months. I do not know how long he was in this country altogether.

Senator OVERMAN. Do you know who presided over that big meeting in which he made a speech?

Mr. TUNNEY. Who was the chairman, do you mean?

Senator OVERMAN. Yes.

Mr. TUNNEY. I really do not know, but I think it was a man named Abrahams, who was subsequently convicted and sentenced to prison for 20 years for violation of the espionage act. But I can find that out, I can get the names of those who were there.

Senator OVERMAN. Did you have occasion to investigate the I. W. W. any?

Mr. TUNNEY. Yes; in the early part of the European war they were making a bomb to kill a couple of men here in the United States—three of the I. W. W.'s. who were also associated with an anarchistic movement. Those men were Carron, Berg, and Harbo. While making this bomb it prematurely exploded and killed themselves, in an apartment house, One hundred and fourth Street. It blew the front out of the building and killed the three of them and killed a woman up on the next floor. I might add that the fellow Berg had a sister known as Louise Berg, also referred to as "Dynamite Louise," who went back shortly after Trotsky, with the other Russian bunch, to blow up some of the officials in Russia.

Senator OVERMAN. Berg was one of the three conspirators engaged in the manufacture of bombs?

Mr. TUNNEY. Yes. There was a conspiracy to kill three prominent men in this country at one time, and as many thereafter as they could.

Senator OVERMAN. Do you know who were the prominent men they had in view?

Mr. TUNNEY. I do.

Senator OVERMAN. Who were they?

Mr. TUNNEY. John D. Rockefeller, sr., and John D. Rockefeller jr. It was also discussed amongst them at that time that in order to wipe out families there was no good in killing one or two in a family, that they should kill them all, even to the children, and they used to talk from that time that the best way to do it was to get servants in the employ of the households of these prominent men, as to get a line exactly on what the family was composed of and what it consisted of.

Senator OVERMAN. Have you noticed the carrying of the red flag in New York?

Mr. TUNNEY. No; they stopped carrying that. They passed a local ordinance prohibiting its being carried. They used to carry it at all meetings.

Senator OVERMAN. What effect does that red flag have on a crowd?

Mr. TUNNEY. It has the effect of creating a feeling on the part of Americans that they would like to assassinate everybody carrying the red flag; or at least, a large number of them feel that way.

Senator OVERMAN. What effect does it have on the people who are in sympathy with carrying the red flag?

Mr. TUNNEY. It simply enthralls them, and they indulge in waving and waving it in the air.

Senator OVERMAN. It inflames them?

Mr. TUNNEY. Yes; and all those who are in sympathy with it. As soon as the carrying of the red flag was stopped they started to wear red neckties and sometimes red flowers in their button holes.

Senator NELSON. Do you not think that the carrying of the red flag tends to promote breaches of the peace?

Mr. TUNNEY. It does; because it antagonizes Americans who are opposed to them, and naturally there is a conflict right away. Americans claim they only want one flag here, and that is the Stars and Stripes.

Senator STERLING. The red flag is usually understood to be the emblem of anarchy?

Mr. TUNNEY. Yes; it is the emblem of anarchy. They sometimes call it internationalism. There are some modern Socialists who do not believe in the red flag. The radical Socialists do not believe in any form of government at all; their motto is, "Do as you like," and everybody do the same; they have no regard for law, and they do not believe in law.

Senator OVERMAN. One of their creeds is "Down with capital"?

Mr. TUNNEY. "Down with capital and Government." They claim capital is responsible for all Government. They blame the churches for standing in their way. They sometimes say they would like to destroy the churches. I met a man one night some time ago who claimed the only way to destroy every building was to blow it down with dynamite. There was another man present who said he did not believe in destroying buildings of art and science and where literature was kept, but all other buildings he would destroy. He differed to that extent from the other fellow.

Senator NELSON. How many of those anarchists and those radicals, W. W.'s and anarchists, have you in New York? As nearly as you can tell, how many are there?

Mr. TUNNEY. Do you mean, Senator, who belong to organizations or associations?

Senator NELSON. No; I mean that belong to such organizations or believe in that gospel.

Senator OVERMAN. Who sympathize with them.

Senator NELSON. Yes; who sympathize with them.

Mr. TUNNEY. I believe there are 12,000 or 15,000 in New York. I mean those who sympathize with the real radical movement. I would say we probably have 50,000 who more or less sympathize with them.

Senator NELSON. They are mostly foreigners, are they not?

Mr. TUNNEY. Mostly foreigners.

Senator NELSON. From what part of the old country?

Mr. TUNNEY. The three principal nationalities that they represent are Russians. Spaniards—I am talking now about the anarchist group—and the Italians, mixed up with some Germans. There are a few radical Irishmen and Englishmen, and a few Americans. There are very few of these English-speaking people with the exception of—well, there is a very small percentage of them that mix up with the real anarchistic groups.

Senator NELSON. Are there many Americans mixed up with them?

Mr. TUNNEY. Very few.

Senator STERLING. How about the Poles? Are there not a great many Poles?

Mr. TUNNEY. No; there are more Lithuanians. I classify them as Russians when speaking about them. But you can always get some people representing all races amongst them—always.

Senator NELSON. The Lithuanian language somewhat resembles the Polish, does it not?

Mr. TUNNEY. It does, but they say it is more difficult to understand than the Polish language.

Maj. HUMES. Inspector, can you give us any information as to the general activities of the Hamburg-American Line and their agents and representatives, and the groups through which they operate?

Mr. TUNNEY. Nothing more, Major, than what I have told; nothing that I could verify or substantiate other than what I have told. Of course, I did not go into all the details of it; I could not do that without comparing records. I have testified altogether from memory. I was in direct touch and had direct connection with what I have testified to myself.

Senator NELSON. One of their ships was a bomb factory?

Mr. TUNNEY. Yes; that was the North German Line. But the Hamburg officials were mixed up with them in the same proceedings.

Maj. HUMES. Do you know whether or not the Hamburg-American Line officials and agencies in this country, as well as the North German Lloyd Line, were used as one of the agencies of the German Government in carrying on the activities of the German Government?

Mr. TUNNEY. I do.

Maj. HUMES. They were semiofficial agencies of the German Government, were they not?

Mr. TUNNEY. They were. For instance, Koenig made a record of himself that he was employed as the American representative of the German Government, and he made several notes from time to time that he had, for instance, to meet some very confidential agent, and he refused to take a drink at his lunch here because his mind had to be very keen and active when he met this man afterwards, a man who was the agent of the German Government.

Maj. HUMES. The German Government, in other words, took over the organization of the Hamburg-American Line and the North German Lloyd Line for its own purposes?

Mr. TUNNEY. I would not say it took them all over, but it took various employees.

Maj. HUMES. I mean various employees that it could utilize effectively?

Mr. TUNNEY. It did.

Senator OVERMAN. This *Frederick Der Grosse*, where they made these bombs, that was an interned ship?

Mr. TUNNEY. It was not interned at that time. It was in neutral water, and it could not leave here; it was afraid to leave. It could have left before the country declared war, because it was a passenger ship. It was not a man-of-war.

Senator NELSON. That is one of the ships that they disabled before we took them over?

Mr. TUNNEY. It is.

Senator NELSON. And we took them into our service?

Mr. TUNNEY. That is right. This country got into the war and arrested a few in these bombs. They were pretty largely broken up.

Senator NELSON. Do you think they helped to break them up?

Mr. TUNNEY. It did.

Senator NELSON. Our legislation before that was entirely defective?

Mr. TUNNEY. It was. There were a number of defects.

Senator NELSON. I remember the case of that man that attempted to blow up the bridge at Vanceboro. I forget his name.

Mr. TUNNEY. Horn.

Senator NELSON. Yes. Now, he was simply indicted and tried for——

Mr. TUNNEY. The very same thing that the other men were tried for in New York, carrying bombs in violation of the interstate commerce act.

Senator NELSON. In violation of the law governing the shipment of dynamite and your testimony would indicate clearly that we needed such a law as the espionage law?

Mr. TUNNEY. In connection with explosives, Senator; in connection with people using explosives for unlawful purposes.

Senator OVERMAN. Do you think we need it in peace times as well as in times of war?

Mr. TUNNEY. We are not looking for war, but if we had another war, that would be a deterring fact if they knew the punishment was 10 years.

Senator OVERMAN. Suppose no war broke out, but we had Bolshevism in this country?

Mr. TUNNEY. That would prevent it. You have a law for the safe-keeping of explosives, and that would be a good thing to continue.

Senator OVERMAN. You think that ought to be continued?

Mr. TUNNEY. I think so, Senator, because in one State you would have no explosives law at all and in another State you would have, and all they would have to do would be to have some explosives in Jersey and carry them over to New York.

Senator OVERMAN. If the law is repealed, you might have trouble about explosives?

Mr. TUNNEY. There might be, Senator. I do not want to be optimistic about these things.

Maj. HUMES. Inspector, have you any knowledge as to the number of German agents that were active in and about New York during the period just prior to the entrance of the United States into the war?

Mr. TUNNEY. Well, if there was anyone that we could secure any evidence against, we apprehended him, and I think my squad apprehended about 75 of the German agents or men working under their supervision just prior to and shortly after the United States entered the war.

Senator OVERMAN. Are there any people in this country now advocating the use of dynamite and other explosives?

Mr. TUNNEY. No, Senator. They sometimes talk about it in secret. There is no conspiracy to do anything with explosives, although they have done something in Chicago in connection with the I. W. W. activities. Although they talk about it, we have no conspiracy.

Maj. HUMES. You can not discover any evidence of a conspiracy?

Mr. TUNNEY. Not in New York. They have not had any in New York for some time. We have had no explosions in New York

for some time in connection with the anarchist movement. I have pretty good means of finding it out if there were going to be. The number has been reduced from three or four hundred cases a year among the so-called black-hand element, to two or three. I remember the time that we had a couple of bombs, and know that they were planted by the Italian black-hand element for extortion purposes. In 1915 they were blowing up churches. They claimed that the reason was—they commenced with the Catholic Church, then they would strike the Episcopal Church, and in that way they thought they would destroy the Government. They were the protectors of the Government—the capitalist Government. That was the defense on one trial for blowing up St. Patrick's Cathedral in New York.

Senator NELSON. Has the Federal explosives act aided in keeping track of and suppressing bomb plots?

Mr. TUNNEY. It has, very materially. In fact, it could have been improved on and made more stringent. The penalty is a year and a half. I think it should be more stringent, because if men are out for violating that particular act and they do not mean to commit crime, still they can get away without permits. It really puts a check on it in the United States, in every State, and particularly around where quarrying is going on, where they are excavating, and other places of that kind where there was no attempt made at all to restrict it and miners could carry it away with their bags and bring it to New York; and now that provision prevents a whole lot of the carrying away of explosives. Under that law you can make it very difficult for people of criminal intent to get possession of dynamite.

Senator OVERMAN. We are much obliged to you.

Maj. HUMES. Mr. Stevenson.

TESTIMONY OF MR. ARCHIBALD E. STEVENSON.

The witness was sworn by the chairman.

Maj. HUMES. Mr. Stevenson, you reside in New York?

Mr. STEVENSON. I do.

Maj. HUMES. What have been your activities in connection with agencies of the Government since the entrance of this country into the war, and possibly prior to that time?

Mr. STEVENSON. For about a year and a half I have been interested in studying the various phases of propaganda.

Maj. HUMES. Have you been connected with any of the departments of the Government during that period of time?

Mr. STEVENSON. I became chairman of the committee of aliens of the Mayor's Committee of National Defense of New York, under Mayor Mitchel, and that committee established the first translation bureau of the foreign-language until the 1st of January, 1918, the Department of Justice, Bureau of Propaganda there, and later I became vice-chairman.

Maj. HUMES. Mr. Stevenson, you analyzed the relation that exist between these groups in this country prior to a

Mr. STEVENSON. I have attempted to do so.

Maj. HUMES. Will you outline to the committee your analysis of the propaganda groups and the interlocking relation that exists between the several groups and several organizations that have been established?

Mr. STEVENSON. I will try it. It is a rather large subject.

I do not know whether the committee has attempted to define "propaganda" or not in its more modern sense. It is rather helpful—

Senator OVERMAN. We should like to have your definition.

Mr. STEVENSON (continuing). To have a definition of that kind. In the first place, we found it convenient to think of propaganda as a weapon of offense and defense, and we therefore defined it as the instrument employed to form, influence, guide, and direct public opinion with a view to controlling public sympathy and action.

We divide propaganda into two major classes, propaganda by the use of words, written and spoken arguments, and propaganda by deed, a term which we borrow from the radical groups. Inspector Munney has described to you the phases of propaganda by deed to a certain extent.

The propaganda in general in this country can best be divided into several phases, one the prewar phase, one during the period of—

Senator NELSON. You speak of the prewar phase as the time before we got into it?

Mr. STEVENSON. No; before there was any war. The second is the period of American neutrality; third, the period of our belligerency; and fourth, the post-armistice period.

Now, in each one of these periods, the purposes and character of the propaganda varied, because the objects sought were different. Therefore, I found it necessary to try to analyze the purposes of the propaganda during those particular periods.

During the first phase it was not altogether important. In that prewar period the propaganda consisted of encouraging the organization of the German element in the United States. We had a great period of organizing the German-American Alliance, German-American clubs, turnvereins. It was carried on also by an attempt to stimulate interest in kultur, exchange of professors from German universities, the encouragement of American students to study in German universities, and that is particularly interesting in its subsequent effect on the propaganda, because we have found that a very large number of American citizens who have become engaged either directly or indirectly in one phase or another of the propaganda here have been students in German universities and have taken their admiration for that civilization while there.

During the period of American neutrality—

Senator STERLING. May I ask, before you proceed with that, about when did that prewar propaganda begin?

Mr. STEVENSON. Well, I could hardly answer that, because it runs back over a very long period.

Senator NELSON. I can tell you when I first saw the signs of it. You remember there was quite a feeling in this country in reference to the action of Admiral Dietrich in Manila Bay against our fleet and Admiral Dewey. There was quite a feeling in this country, and

after that I noticed the activity of the German consuls through the West in getting up meetings among Germans, especially to test their great loyalty and interest in this country. It seemed to spring up all over in order to overcome the feeling that had been created in this country against Admiral Dietrich and the German fleet and the German fleet.

Mr. STEVENSON. I believe that is true.

Senator NELSON. It was clear to me at that time.

Senator OVERMAN. Has it been estimated how many organizations there were that you spoke of—musical organizations and other organizations?

Mr. STEVENSON. No; I do not think there has been any attempt to figure that out. That would run into thousands.

Senator OVERMAN. Thousands of them?

Mr. STEVENSON. Absolutely.

Senator OVERMAN. Every town, every community, had its German organization?

Mr. STEVENSON. I have here somewhere in the suit case a German-American handbook that gives a list of a large number of organizations.

Senator STERLING. The German-American National Alliance was organized about 1900, was it not?

Mr. STEVENSON. Yes.

Senator STERLING. But prior to that there were State German-American alliances?

Mr. STEVENSON. Yes.

I think, too, we might consider as a part of the propaganda of the period the visit of Prince Henry of Prussia to this country.

Senator NELSON. He came after that Dewey incident.

Mr. STEVENSON. All of that propaganda we felt was directed to consolidate the German-American element here and create sympathy among the Anglo-American element of the American people for German culture. When war broke out in 1914—

Maj. HUMES. May I interrupt you there? We hear so much of German kultur. Have you undertaken to define German kultur. Can you tell us what this kultur is that we hear about? What does it consist of, besides sympathy for Germany?

Mr. STEVENSON. Well, I really do not know.

Senator NELSON. The term "kultur," as they call it, has a much broader significance than we give the English word "culture."

Senator OVERMAN. Mr. von Mach had the idea.

Senator STERLING. It is almost coincident with "power," and "times."

Senator OVERMAN. And "education" and "intelligence."

Mr. STEVENSON. It is rather Mach. One of the papers, a German paper, offered a prize to write the best letter explaining the war, and the prize was awarded.

Coming to the second paragraph's neutrality and the the occupied territory created can press and in the Amer

one of the propagandists was that of self-justification, and we see that running through the early pages of such periodicals as *The Fatherland*—George Sylvester Viereck's—and *The Vital Issue*, a paper with which he was also connected, and *The International Monthly*.

Senator NELSON. For instance, they attempted to neutralize the effects of the German invasion of Belgium by claiming that France and England had really gone into that matter long before?

Mr. STEVENSON. As a matter of fact, they issued copies of a large number of secret orders which are believed to have been forgeries, although no proof has been obtained.

Senator NELSON. They claimed that they discovered papers there in the Belgian archives that demonstrated that there was a plan between the English and French in case of war to take possession of Belgium.

Mr. STEVENSON. The second matter which caused a great deal of effort to be put forth by the German propagandists was to stir up a feeling or sentiment in the United States against the shipment of munitions of war.

We also find in the beginning of 1915 the first indication of the encouragement of radicals, the purpose being to stir up labor disturbances. Every cause of discontent that they could find in the American public they seized upon. For instance, they assisted the Irish element in their attacks upon Great Britain. They also attempted to create a defeatist opinion in this country with a view to keeping us out of the war.

The third phase——

Senator STERLING. That defeatist idea was that Germany was sure to win in this war?

Mr. STEVENSON. Yes; exactly. And they used all sorts of propaganda. In that connection they used commercial propaganda and financial propaganda, showing the wonderful strength of the Central German financial institutions, and also pointed out the weaknesses of Great Britain and France in that regard.

Senator NELSON. Did they not have two other propagandas, one to breed hostility against Great Britain?

Mr. STEVENSON. Yes.

Senator NELSON. And then another to keep up a Japanese scare?

Mr. STEVENSON. Yes; they did that, too. But they did that later. That was largely brought about immediately prior to our entrance to the war.

Well, I might say that in the second period there was also the beginning of the great pacifist movement, which reached astonishing dimensions in this country.

During the third period, that of the United States belligerency, the first thing was to keep American troops and munitions at home; the second was to hamper recruiting; the third to prevent the passage of conscription acts, to keep up the pacifist propaganda, to continue the defeatist propaganda, and finally to stimulate the revolutionary propaganda.

And the fourth period is that of post-armistice propaganda, a matter which is very little understood and is a very elusive subject. There are, however, indications that an attempt is being made by a

number of instrumentalities that were at work prior to the armistice to stimulate a public opinion favorable to soft and easy terms for Germany. I hope to be able to bring out that phase a little later.

Consequently, looking on this whole propaganda as a single subject, we have what we may call pro-German propaganda which involved anti-English and anti-Russian and other similar phases; second, the pacifist movement; and third, the radical, which is to me the most important subject, I think, that is before the Nation.

Now, that is in brief the scope of the subject. I do not think I can add very much to what has been testified to here with regard to German propaganda, although I do not believe that the matter of the activities of Karl Fuehr, who was really the chief propagandist in this country, spreading his propaganda to South America, has been brought out. Has it, Senator?

Senator OVERMAN. Not very much.

Mr. STEVENSON. Karl Fuehr's office was first located at 1123 Broadway, New York City, and later at 280 Madison Avenue, as a Tribune Ocean News Co. He was intimately connected with, and we have evidence that he assisted in the financing of, the German information service of Matthew D. Claussen. They got out periodically a sheet giving news. Some of it was written in the office of Fuehr, although it was alleged to have been sent by wireless from Germany. Material similar to that was sent by Fuehr to a man by the name of Martin Jurist at Panama for distribution to South America, and it is quite interesting to know that in the period immediately preceding our declaration of war—that is in January and the first two weeks of February—he expended about \$140,000 for cable tolls alone to the Mexican Telegraph Co. I brought down his original check books.

Senator OVERMAN. Fuehr?

Mr. STEVENSON. Yes.

Senator OVERMAN. \$140,000?

Mr. STEVENSON. Yes. I brought down his original check books and some photostats that were taken of his books. I do not know whether they would interest you gentlemen or not.

Senator OVERMAN. Have you found out what was the nature of the communications?

Mr. STEVENSON. They were propaganda articles similar to those that were sent out by Matthew D. Claussen of the German information service, including commercial propaganda and self-justification and the general run of material such as you would find in the *Faustland*, *The Vital Issue*, or the *New York Staats Zeitung*, or any one of the other papers that were participating in the propaganda at that time.

Is there any other particular you want in reference to that?

Maj. HUMES. Any information you can give the committee as to those activities the committee will be glad to have—the South American activities.

Mr. STEVENSON. It was simply that these telegrams were distributed to Peru, Chile, Argentine, and Colombia.

Maj. HUMES. How were they distributed; sent for publication in the newspapers?

Mr. STEVENSON. Yes; for publication in the newspapers, always

Maj. HUMES. Sent by wireless?

Mr. STEVENSON. No; they were sent by wire.

Maj. HUMES. I mean by wire.

Mr. STEVENSON. By wire, through the Mexican Telegraph Co.

Senator NELSON. I should like to hear you about the activity of the German propaganda prior to the time the war began in Europe, until we got into it. That is the most critical period.

Maj. HUMES. The analysis of the interlocking relations that existed between all those groups, that I understand you have given consideration to—suppose you outline that to the committee first.

Mr. STEVENSON. The financial man representing the whole propaganda system, of course, was Dr. Albert. Through him the sinews of war came; and for a time Dr. Dernburg was a leader of the literary propaganda. The media employed by the propagandists were newspapers—German language newspapers that were here.

Senator NELSON. Did they not employ English papers, too?

Mr. STEVENSON. Yes; I was coming to that—the American newspapers that had German alliances; and if it became necessary, of course they purchased newspapers, but still there was a great deal they wanted to say that they could hardly get into the regular channels. They would send a great many articles to the regular newspapers like the Times, the Post, of New York, the various Washington newspapers, from regular news service. So they organized papers like the Fatherland, of Viereck's, and the Vital Issue.

Senator NELSON. And bought the Mail?

Mr. STEVENSON. Yes. They organized Issues and Events, a monthly paper, and Karl Fuehr, when he came over here with Dr. Mecklenberg from Japan, established this Trans-Ocean News Co. that had about 20 or 30 employees, transmitting articles received from Germany by wireless, writing others, and furnishing these articles to Viereck, to the Mail, of New York, to the Fatherland, the Vital Issue, and other similar papers.

Senator NELSON. Did they get many of their articles into the regular ordinary American English papers?

Mr. STEVENSON. Yes; they got a great many of them. They had particularly long series of articles in the Current History of the New York Times, the monthly magazine of the New York Times. Practically all the papers took a great deal of their material at that time in the attempt to present both sides of the argument.

The internal arrangement of Fuehr's office was rather interesting, showing the detailed care with which the Germans operated. They kept an index of every article which they put out, indicating what papers had used it, how it had been sent, when it had been sent, and all these documents are now in the possession of the Department of Justice in New York City and are extremely interesting. They then put the clippings out of the various newspapers and indexed those back to correspond with the entries which they had made as to the original articles.

The most interesting, to my mind, and the most important thing, to bear in mind in connection with this propaganda is the fact that it seemed like poison gas; that after the attack is made the effect continues and extends. Consequently when we took up the pacifist movement, which developed and was stimulated by the Germans in

the period of our neutrality, we found that it extended to American citizens.

Senator NELSON. Native-born citizens?

Mr. STEVENSON. Native-born American citizens. One of the interesting illustrations of a German organized movement for peace which had for its purpose the prevention of the shipment of arms was a mass meeting in New York—I think it was on June 24, 1917, called by the Friends of Peace. I have here a program. I want to call particular attention to the organizations under whose auspices this meeting was held. You will find the German-American Alliance of Greater New York, the United Irish-American Societies, the American Truth Society, the American Independence Union, the American Humanity League, the American Women of German Descent, German-American Peace Society, Star-Spangled Banner Association, American Continental League, Clan-Na-Gael, German Catholic Federation of New York, United Austrian and Hungarian American Societies, and many other societies.

Senator STERLING. What can you say of the American Continental League and its membership?

Mr. STEVENSON. That was made up largely of American citizens. I believe that organization was organized abroad, in Germany, by American citizens who were either living over there or married there when the war first broke out.

Senator OVERMAN. Was this gotten up and financed—have you any evidence that it was financed—by Germans, Dr. Fuehr, or anyone else?

Mr. STEVENSON. No; but there was evidence in Dr. Fuehr's program that he played a very big part in the organization of this thing. I might call attention to the fact that the man who introduced the speakers of the evening, Mr. George Von Skal, was a paid agent of Capt. von Papen and was working in his office.

Mr. Henry Weismann, the chairman of that meeting, was president of the German-American Literary Defense Committee, which had for its purpose the preparation of a large number of pamphlets and articles for distribution.

They had their offices in No. 150 Nassau Street, New York City.

Senator OVERMAN. We have had some evidence of a man named Weismann, have we not, who was it with Trotsky, was he the man?

Mr. STEVENSON. No; that was Gregory Weinstein. This is a very interesting group of people. You find Jeremiah O'Leary as one of the speakers. There were also John Devoy and Rev. G. C. Bermeier, who was outspokenly German, of course. The resolution was particularly interesting as giving the general character of the peace propaganda of that period. I think it is rather interesting, although it would be rather long to read into the record.

Senator STERLING. Can you say anything about the connection of any of the members of the executive committee whose names are given here? There is quite a list of members of that committee, "Executives," as they are called in this program.

Mr. STEVENSON. Mr. John Devoy has been extremely active in the Sinn Fein movement, and I believe was the man who led the Fenian raid on Canada in the sixties. He is a very old man at this time.

Jeremiah O'Leary is now under indictment for treason, and was the president of the American Truth Society, which was made up of Irish and Americans.

Mr. Bernard H. Ridder is the editor of the New York Staats Zeitung.

Senator OVERMAN. Who is Miss O'Reilly?

Mr. STEVENSON. She is an Irish agitator.

Morris Cukor is an Austrian who has been an agitator.

Rev. G. C. Berkemeier is the head of the Watburg Orphan Asylum of White Plains, N. Y., and was the speaker at various meetings throughout the country during this period for the German cause.

Senator OVERMAN. Who was Henry Vollmer.

Mr. STEVENSON. He is a Representative in Congress, I believe.

Senator NELSON. Vollmer was a Member of Congress from Iowa.

Mr. STEVENSON. Yes. The whole list on page 9 is interesting. Dr. Hugo Schweitzer was a man very active in the German propaganda circles, and he was the president of a company that was to purchase German newspaper.

Senator OVERMAN. Were all these speakers there at that meeting?

Mr. STEVENSON. Yes, sir; they were.

Senator OVERMAN. Including Mr. O'Brien and Frank Buchanan and Richard Bartholdt, and others you have mentioned?

Mr. STEVENSON. Yes; they were there.

Senator NELSON. You say that these resolutions which are printed here are the ones that were adopted?

Mr. STEVENSON. They were adopted and printed.

Senator NELSON. Those resolutions might well go into the record, think.

Mr. STEVENSON. I think they are extremely interesting, because they practically epitomize the whole theory of the pacifist propaganda from the German point of view at that period.

Senator NELSON. There is no need of reading them. We can have them put in the record.

Senator OVERMAN. Let them go in.

(The resolutions referred to are here printed in full in the record as follows:)

RESOLUTIONS ADOPTED AT A MASS MEETING OF FRIENDS OF PEACE IN MADISON SQUARE GARDEN, THURSDAY, JUNE 24, 1915.

Whereas there is being enacted in the Old World an appalling tragedy of bloodshed, unparalleled in human history; and

Whereas there is manifest a sinister determination on the part of advocates of one of the parties to the conflict to involve the United States in its horrors; Now, therefore, this mass assembly of American citizens, met together in the love of liberty and in the reverence of the forefathers, on the happy soil of a land untouched by the cataclysmic agony that has engulfed half the world, *Resolve and declare* it to be their sense, and, in their belief, the sense of a vast majority of their fellow countrymen:

I. That the people of the United States demand the maintenance of peace with all the world.

II. That they demand the maintenance on the part of the Government and the people of the United States of the strictest neutrality with respect of the warring nations—a neutrality not of profession alone, but likewise of practice; not of formal legality alone, but likewise of actuality and practical effect.

III. That they denounce, with all the strength of heart and soul with which outraged people can speak, the reckless war propaganda which, under the mask of patriotism, and in the abused name of humanity, has been, and is being, carried on in this country by those who see money in war.

To awaken prejudices which had been laid down on the threshold of America every immigrant worthy to become a citizen of a nation whose every citizen of himself or through his ancestors, an immigrant, is an act of public immo-

rality; to fan forgotten antipathies into hatreds which may burn deep into the life of a nation whose foundations are laid in a concord of elements gathered from all the world and whose strength abides only in a union of racial talents, gifts, and temperaments of derivation as varied as the lands of the earth. Is a colossal civic crime; to seek to induce such a nation to take sides in a war between countries from one or another of which every one of its citizens drew its origin is to conspire against its unity and its life.

IV. Especially does this assembly denounce the treasonable activities of a large section of the newspaper press which within the past six months has done its utmost to drag the Nation to the brink of war. That a press dominated by financial interests could carry on for months a campaign of public demerit, seeking to provoke a peace-loving people to war, by the setting afloat of malicious rumors, by the encouragement of agents' provocateurs, by systematic and persistent invention, perversion, and suppression, by deliberate, contrived and never-repented falsification, would be unbelievable except for the experience through which the American public is now passing.

We affirm that these newspapers in no degree represent or reflect the sense of the mass of the people of the United States, the expression of whose real sentiments they constantly seek to throttle by denouncing as traitors any who question their own violent and pernicious opinions. This assembly, representing many hundred thousands of the citizens of New York City alone, nevertheless dares to serve notice that the masses of the people of the land, without a press faithfully seeking to voice their interests and the interests of the country, do not confess their reason intimidated nor their tongue silent.

Be it furthermore, as the sense of this assembly,

Resolved, V That, in its dealings with the Governments of Great Britain and of Germany, the United States should firmly insist upon the right of neutral ships to sail the seas upon peaceful errands, delivering lawful cargoes to their intended destinations without interference save as provided by international law as set forth in the declaration of London, 1909;

VI. That it should insist upon full respect for and protection of the rights of American citizens lawfully traveling on peaceful business;

VII. That with the duty of the American Government to protect its citizens while abroad goes hand in hand the corresponding duty of citizens to refrain from reckless adventures likely to embroil the Government endeavoring to protect them;

VIII. That no American has a right to offer his body as a shield to one of the belligerents by embarking as a passenger on a vessel carrying munitions of war; and that the United States Government owes it to its citizens to protect them against so doing;

IX. That the interests of the people of the United States and of her demand the cessation of the exportation from our shores of arms and munitions for the warring nations of Europe.

To pervert the strength and skill of American workmen, and to divert American capital from peaceful, natural, wholesome, wealth-creating industries to the manufacture of instruments for the slaughter of human beings, and the destruction of property is an economic folly and a moral crime.

We reject as unworthy of a great nation the specious disclaimer that the State is devoid of power to alter its laws of export because of the exigencies of the war now to be going on. Not a shred of international law, no analogy can be cited in support of the insufferable and pernicious fiction, foisted upon the public by the capitalized money interests, that an argument vitiated by the attitude of the present question of war supplies for the Mexican belligerents, Mexican war was going on.

The paramount duty of a nation is to the imagined opinions of its citizens. The accord and tranquillity of the nation and the favor of foreigners is to be desired. Nationalities are to be consulted. Nations whose fathers, brothers, and neighbors are usually and inevitably be far more numerous than those whom we may decline to

During nearly a year of war the United States has continued to supply munitions with weapons against its own people. It suggests that it would be unwise to exhaust its resources after a year of export

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and her confederates is to confess a partiality which discredits all our professions of neutrality, which the common sense of the world can not but penetrate, and which the better sense of the plain people of the United States, truly desirous to be humane as well as impartial, will not brook.

We demand that the Government of the United States place an embargo on the exportation of arms and munitions of war, thus giving the world an exhibition of practical wisdom, of humanity of spirit, and of the completest possible fulfillment of perfect neutrality.

This assembly, under a deep sense of the gravity of the hour, renewing its devotion to the principles of American liberty and consecrating anew its members and those they represent to the cause of freedom of opinion and of speech, justice, and humanity, upon which the American Nation was founded, lifts its high and solemn protest against the evil machinations which seek to destroy its unity and its peace.

Mr. STEVENSON. The interesting feature of this movement at this time was that it stimulated interest——

Maj. HUMES. In that connection suppose you call attention to the press committee. Of whom did the press committee consist, and who were they?

Mr. STEVENSON. The press committee consisted of George von Skal, who, as I said, was formerly the managing editor of the New York Staats Zeitung and later a paid agent of Von Papen; Herman Alexander; Alfred Bernheim; Joseph Brucker; John Devoy, who is the editor of the Gaelic American—owner; Francis J. L. Dorl, who was the editor and publisher of the Vital Issue, a German propaganda magazine, and of Issues and Events—he is now interned; Robert Ford; Dr. Ed. Pollack; Victor F. Ridder, who was formerly the treasurer of the Staats Zeitung in New York; Arthur Schoenstadt; Dr. George Rodemann; Otto von Spengler; Theodore Sutro; George Sylvester Viereck; and C. B. Wolfram.

Senator STERLING. Do you know Theodore Sutro?

Mr. STEVENSON. Yes.

Senator STERLING. Is he an attorney?

Mr. STEVENSON. No; I think he is a banker. I am not sure.

Senator STERLING. Do you know of his connection with the German-American National Alliance?

Mr. STEVENSON. Yes; he was a member.

Senator STERLING. He was a member?

Mr. STEVENSON. Yes.

Senator STERLING. And a prominent member?

Mr. STEVENSON. A very prominent member. I think he was an officer, although I am not certain. We have carded about 10,000 persons who have participated in one way or another in this propaganda, and it is very difficult for me, without preparation, to connect these people.

Maj. HUMES. Do you know who Arthur Schoenstadt is?

Mr. STEVENSON. I do not know particularly about his connection.

Senator STERLING. I will simply say that the Sutro of whom I have a little knowledge was Mr. Sutro, of New York, who appeared as the attorney of the National German-American Alliance before the subcommittee who had under consideration a bill to revoke the charter of that organization.

Mr. STEVENSON. We know him more in connection with the voluminous articles and the many pamphlets which he wrote, which were spread broadcast through the country, as an American citizen of German birth, taking the view that America should be neutral in word and in deed and should not participate in——

Senator OVERMAN. They seem to have had on the committees and reception committee a thousand at least.

Mr. STEVENSON. They had.

I mentioned a while back the plan to start a daily paper in New York, and I referred to an advertisement which appeared in *Fatherland*, Volume II, No. 13, May 5, 1915.

It reads as follows:

The propaganda for the publication of a new daily in New York, "absolutely impartial, doing justice to the German cause, above all American, free of any but American influences, and determined to impart the information to be had" is proceeding vigorously.

It is reported that over 200 organizations in New York, chiefly German-American, and 100 of them in Brooklyn, have elected committees to aid in the sale of the stock of The Printers and Publishers Association (Inc.), at \$100 share to those who believe in the importance of publishing this paper.

The officers of the association are Dr. Hugo Schweitzer, the well-known writer, speaker, and chemist, president; Emil Kipper, a prominent New England manufacturer, vice president; Max W. Stiehr, treasurer, a large textile manufacturer; and Henry Weissman, the well-known attorney, secretary, who at the beginning of the European war has been widely known as a speaker on this subject, and as president of the German-American Literary Defense Committee.

He has appeared here as the chairman of the Friends of Peace. It says of him here:

Henry Weissman, the well-known attorney, secretary, who since the beginning of the European war has been widely known as a speaker on this subject, as president of the German-American Literary Defense committee.

(Continuing reading:)

Among the honorary vice presidents of the association, who constitute the advisory board, are the following well-known men:

Prof. Hugo Muensterberg, Harvard University; Prof. William R. Shepherd, Columbia University; Dr. Edmund von Mach, Cambridge, Mass.; Prof. A. Faust, Cornell University; Rev. Thomas C. Hall, Union Theological Seminary; Prof. Frederick Hirth, Columbia University; Arthur von Briesen, New York; Dr. Franz Kornfeld, New York; John H. Meyer, New York; Wilhelm Schuler, New York; Dr. B. Sacks, New York; County Judge J. H. Tleman, Suffolk Island; John F. Becker, Brooklyn, N. Y.; Dr. Russell S. Fowler, Brooklyn, N. Y.; Rev. Jacob Loch, Brooklyn, N. Y.; County Judge John F. Hylan, Brooklyn, N. Y.; August F. Schurmann, Brooklyn, N. Y.; Frederick E. Hertmann, Brooklyn, N. Y.; Rev. F. H. Wilhelm, Kingston, N. Y.; Rev. I. Hass, Amsterdam, N. Y.; Robert Patchke, Troy, N. Y.; John Diehl, Schenectady, N. Y.; W. Miester, Syracuse, N. Y.; W. Kuelmling, Utah, N. Y.; Dr. W. L. Wisbelaner, Paterson, N. J.; Prof. Faust C. De Walch, New York City College; Leonard M. Brooklyn, N. Y.

You know that Dr. Hale has remained in Germany during the war? Senator NELSON. He remained in Germany during the war?

Mr. STEVENSON. Yes. His sympathies were entirely with Germany.

Arthur von Briesen was the president of the Legal Aid Society until the war broke out.

I have prepared a memorandum of this pacifist movement. I think I might be shorter and briefer if I follow along with that, that is your pleasure.

Senator OVERMAN. You have a statement prepared?

Mr. STEVENSON. Yes.

Senator OVERMAN. All right.

Mr. STEVENSON. Referring to the propaganda about which I have just spoken, this pacifist propaganda organized distinctly by the Germans, I say:

The effect of this propoganda was to encourage American citizens of pacifist tendencies to organize and cooperate for the same purpose.

Senator OVERMAN. Naturally, there may have been a great many patriotic, loyal Americans who were against going into the war, what you might call pacifists. You are speaking of the people that were connected with these organizations gotten up by the Germans, are you?

Mr. STEVENSON. We are treating of pacificism, the whole subject of pacificism, and in naming these people I do not want to imply that a large number of them may not have participated in these movements with perfectly honorable and honest intent.

Senator OVERMAN. I see the name of William Jennings Bryan in there. Naturally, he was against war, but do you mean to say that he attended these meetings by reason of some instigation of a German propagandist? Do you say he was a German propagandist?

Mr. STEVENSON. The reason why we have been interested in propaganda is because it is an instrument that can be used which will go beyond the actual starting point. In other words, if there are men in the community who are sympathetic to the particular line of argument used by the propagandists from another motive, the fact is that the German propagandist has started a movement and these other men join him and, without intention in a great many cases, are aiding in producing the effect which the Germans desire.

Senator OVERMAN. Many of these men, you say, were perfectly innocent in attending these meetings?

Mr. STEVENSON. I think a good many of them were.

Senator OVERMAN. They were true American citizens?

Mr. STEVENSON. I think they were.

Senator OVERMAN. You mentioned Mr. Hylan. Is he the mayor of New York?

Mr. STEVENSON. He was not at that time. He is now.

Senator OVERMAN. I mean he is the Mr. Hylan who is now the mayor of New York City?

Mr. STEVENSON. Yes.

Senator OVERMAN. You mentioned Mr. Bryan, and you mentioned others here that it strikes me are not German propagandists. You do not class them as German propagandists, do you?

Mr. STEVENSON. No. I would say in connection with that thing that I just read, that there was a movement which was intended to state Germany's position, and avowedly sympathetic to the German side of the subject. I believe at that time those men named on that list were sympathetic to Germany; otherwise they would not have participated on the advisory board of such a paper. That, however, does not affect a man's loyalty to the United States after the United States went into the war.

Senator OVERMAN. That was all before we declared war? There were a great many men who might have gone to these pacifist meetings and made speeches, or who might have been on resolution committees and other committees, who, after we got into war, were just as loyal as any American?

Mr. STEVENSON. Precisely. That has been the case many times. But the point is, on this subject of propaganda—and that is where its danger lies—that men whose opinions are similar to those of the particular campaign being launched by the Germans, aided and as-

sisted the Germans, unintentionally, and gave force and effect to their propaganda campaign.

Senator WOLCOTT. If I understand you correctly, Mr. Stevenson, the idea, as I would put it, is something about like this: The Germans found in a community, or in the country, a certain honest sentiment existing amongst very thorough-going Americans, and in a very clever way they, so to speak, misapplied that sentiment to their own ends, and directed it to purposes which those who entertained the sentiments did not at all sanction?

Mr. STEVENSON. That was the case in many instances.

Senator WOLCOTT. Therefore, in the instances of many of the very loyal Americans, they were made the unwitting tools, from the German point of view, of the German propagandist?

Mr. STEVENSON. Precisely.

Senator WOLCOTT. That is your point, is it?

Mr. STEVENSON. That is my point. That is why I conceive propaganda to be one of the most dangerous instruments, and, in some cases, it has been the most successful weapon, that has been employed.

The series of pacifist organizations, which I would like to moderate, consisted almost wholly of American citizens. It has interested, however, because, although it started among the most conservative Americans having pacifist leanings, it wound up in contact with the most violent radicals and merged directly into the present radical movement.

Senator OVERMAN. Are you proposing to read those names?

Mr. STEVENSON. If you wish them read.

Senator OVERMAN. Well, I do not know. What do you think about it, gentlemen of the committee, bringing a man's name in here who may be a perfectly loyal and honest pacifist—if you call him such—a true, loyal American; should we put his name in here? As for most of the names that have been put in here it has been argued by others that if a man's name goes into this record it damns him and disgraces him, humiliates him, and is a reflection on him. I do not know the names that Mr. Stevenson has, there, but you say you have there, Mr. Stevenson, the names of a number of men who are perfectly loyal. Do you think those names should be read into this record. I do not know who they are. I have not seen them.

Senator NELSON. I do not think they should be, if they are loyal—if we have reason to believe they are loyal—but I do not see why we should leave out the disloyal ones.

Senator OVERMAN. I think a statement of the fact is sufficient, without putting the names in. We do not want to damn a man who is perfectly innocent and loyal in an inquiry like this, and probably we might do that if we put his name in here. Why put the names in? How does that add to it or detract from it?

Maj. HUMES. Can you make that statement, Mr. Stevenson, referring to the organizations as organizations rather than to the individuals that organized the various associations or organizations' activities?

Mr. STEVENSON. I can certainly name them.

Maj. HUMES. I mean can you, in the statement that you are about to present to the committee, confine that statement to the names of the organizations, eliminating the individuals?

Mr. STEVENSON. I feel this, with regard to that whole movement: do not think it is a matter for publication at all, but I think that for your own information you would understand the movement better, you would understand the force of it more, if you knew yourselves who were behind it, and the various changes that have taken place in the type of people that went into it.

Senator OVERMAN. Can you not state it without naming the individuals, just stating the type of people at the different stages of the movement, who entered it? In other words, I can not see how calling man's name is necessary to describe the activities.

Mr. STEVENSON. We are not calling anybody any names, Senator. I mean, it is simply the purpose, the way I have this here, to give a statement of the activity. This was not made for publication.

Senator OVERMAN. I understand.

Mr. STEVENSON. It absolutely was not made for publication.

Senator OVERMAN. I do not mean any reflection on you, at all.

What do you gentlemen of the committee think about it?

Senator WOLCOTT. I am averse to letting names go into the record. I think the fact can be described without the employment of names. That is the meat of the thing—the method of operation. For instance, the witness could mention the fact, which all of us know, that there were many pacifists in the country, and describe how the Germans organized those pacifists, or tried, rather, to appropriate their pacific sentiments to the interest of Germany, and organized societies to cultivate the sentiment developed and to spread it. That does not necessitate the naming of individuals at all, and yet it gives us the method of German operation.

Mr. STEVENSON. I can try to do it, and then if you want any further amplification, I shall be very glad to give it to you.

I might say that these pacifist organizations grouped themselves into those which grew out of the American League to Limit Armaments, which was organized in New York City in 1914 and had its offices at 43 Cedar Street, New York City.

Senator WOLCOTT. In what part of 1914 was it organized?

Mr. STEVENSON. December 18, 1914. The purpose, as given in their literature, was as follows:

The American League to Limit Armament is organized to combat militarism and the spread of the military spirit in the United States. It will use its influence to promote a sane national policy for the preservation of international order with the least reliance upon force, and to secure the efficient use of the moneys appropriated for that purpose. Any person in sympathy with these purposes will be eligible to membership without payment of dues.

At a meeting of the organizers of the league, held on December 18, 1914, at the Railway Club, 30 Church Street, New York City, it was—

Resolved, That the true policy of this country is not to increase its land and sea forces, but to retain for productive and humanizing outlay, the vast sums demanded for armaments, and to wait steadfastly for the day we may render our disinterested aid in helping the nations of Europe, crippled by excesses of militarism, to free themselves and the world from the waste and terror of armed-up instruments of destruction.

The head of that league was a well-known college president, a man of force and dignity, and whose opinion carries considerable weight.

He expressed himself in his speech at that time along that vein. He had been educated in Germany and was the possessor of a decora-

tion—the Order of the Prussian Red Eagle—and was extremely sympathetic to Germany before the outbreak of the European war. I do not mean to imply by that that he may have had any sympathy for Germany afterwards, but his speech was almost identical with the general type of literature which we have found issued by the German propagandists.

I might mention one name here, because I believe that there is a very grave question—two names I will use here because of their subsequent activities as being among the organizers. One is Mr. Morris Hilquit, who is one of the leaders of the radical movement in this country to-day, and the other is the Rev. John Haynes Holman, who is pastor of the Church of the Messiah in New York City, and who has been identified with every one of these movements, and whose sermon on pacificism was employed by the German general staff in distributing it over our trenches to weaken the morale of our troops.

Senator STERLING. When was that sermon delivered?

Mr. STEVENSON. That was delivered last April, I believe—a long time after we had entered the war.

Senator OVERMAN. His is one of the names that should be mentioned, I think.

Mr. STEVENSON. Yes.

Senator NELSON. It is names like that that we want to go into the record.

Senator OVERMAN. Surely. We do not object to that—men who showed by their activities afterwards that they were German sympathizers.

Mr. STEVENSON. The men who were named in this original organization, and persons who have continued, even after we entered the war, to back their purposes, I think might properly go into the record.

Senator NELSON. You mean those who have continued their activities since we entered the war—since our country entered the war?

Mr. STEVENSON. Yes.

One is a lawyer in New York City, with offices at 20 Nassau Street. L. Hollingsworth Wood. Another is Oswald Garrison Villard.

Senator STERLING. What have they done since we entered the war to indicate their German sympathies?

Mr. STEVENSON. They have continued the pacifist movement. They have been on boards of organizations which attempted to block the passage of the conscription act; and in one or two instances, organizations of which they were members attempted to bring about disobedience of military orders among drafted men.

Senator STERLING. Have any charges been brought against them?

Mr. STEVENSON. The matter has been in the hands, in one instance, of the United States attorney in New York. I do not know what disposition has been made of it.

Senator OVERMAN. We have a very important bill up this afternoon in the Senate, and we will have to continue this matter until tomorrow, although it is very interesting.

We will take an adjournment at this point until to-morrow morning at half past 10.

(Whereupon, at 1 o'clock p. m. the subcommittee adjourned until to-morrow, Wednesday, January 22, 1919, at 10.30 o'clock a. m.)

REWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

WEDNESDAY, JANUARY 22, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10.45 o'clock a. m., in room 226, Senate Office Building, Senator William H. King residing.

Present: Senators King, Wolcott, and Nelson.

Senator KING. The committee will be in order. Proceed, Maj. Humes.

Maj. HUMES. I will ask Mr. Stevenson to proceed with the analysis he was making yesterday.

TESTIMONY OF MR. ARCHIBALD E. STEVENSON—Resumed.

Mr. STEVENSON. At yesterday's hearing we had just mentioned the first of a series of pacifist organizations, the American League to Limit Armaments. This organization had in its membership men of conservatism with pacifist leanings, as well as some of the men who have since developed into violent radicals.

Senator NELSON. This American League to Limit Armaments was distinct from the matter of the embargo on the shipment of arms, was it not? It embraced a different subject?

Mr. STEVENSON. They participated in that, however.

Senator NELSON. But this arose before?

Mr. STEVENSON. Yes; this arose in December, 1914.

Senator NELSON. Yes. It was in opposition to any increase in our Army or our Navy?

Mr. STEVENSON. Precisely.

Senator KING. Of course, there were connected with that, however, many who were strongly anti-German.

Mr. STEVENSON. Oh, yes. Some of the men who were in that movement have since become extremely chauvinistic and have entirely changed their point of view. For that reason it does not seem wise to name the membership in the old committee.

Senator NELSON. We came to the conclusion yesterday, I want to say, that we would not give the names of all, but only of those who continued to be vicious.

Senator KING. Is the claim made, Mr. Witness, that Germany, directly or indirectly, was responsible for this organization?

Mr. STEVENSON. There were some members of this organization who were connected with the German propaganda and had written propaganda sheets.

The claim is made that propaganda, being a peculiar instrument, can direct a movement by inspiring a sentiment in the country, that will bring to that movement people who are not in any way connected with the propagandist. That has been shown in all our analyses that we have made. In other words, that is the fruit of the propaganda.

I did mention, however, as being members of this organization, Mr. L. Hollingsworth Wood, a lawyer in New York, because of subsequent connections with most of these organizations, and Mr. Oswald Garrison Villard, for the same reason, and Mr. M. Hillquit.

Senator NELSON. A noted socialist?

Mr. STEVENSON. A noted socialist; and John Haynes Holmes.

The members of the executive committee of this organization felt that the scope was not wide enough, and therefore the antipreparedness committee was formed, which later became the American Union Against Militarism, with headquarters at 70 Fifth Avenue, New York City, and offices in the Munsey Building in Washington.

The American Union Against Militarism was a national organization, having branches in various cities, and which maintained an office in Washington. It was engaged in issuing propaganda literature, in circulating petitions, and in attempting to influence Members of Congress on the subject of preparedness and antiwar.

Senator NELSON. They were against war?

Mr. STEVENSON. They were absolutely against war.

Senator NELSON. Under any circumstances?

Mr. STEVENSON. Under any circumstances.

Senator NELSON. And against any increase in our Army or Navy?

Mr. STEVENSON. Precisely. That was during the period of neutrality. They continued after we entered the war, and opposed conscription and issued literature calculated to discourage recruiting.

Senator WOLCOTT. Were they ever arrested for that?

Mr. STEVENSON. No.

Senator NELSON. This was before we passed our spy law. It was during the period of neutrality?

Mr. STEVENSON. No; but after that also.

Senator WOLCOTT. After we got into the war, the witness said they issued literature which was designed to discourage recruiting.

Mr. STEVENSON. Yes.

Senator WOLCOTT. Did they keep that up after the espionage law was passed?

Mr. STEVENSON. Yes.

Senator WOLCOTT. Yet they were never arrested for it?

Maj. HUMES. That is the organization that Roger Baldwin was connected with?

Mr. STEVENSON. Yes.

Maj. HUMES. Roger Baldwin has been convicted.

Mr. STEVENSON. Yes; but on another count.

Maj. HUMES. But he was convicted because of his antiwar activities——

Mr. STEVENSON. No.

Maj. HUMES. It may not have been that this particular charge was in the indictment.

Mr. STEVENSON. He was convicted on his own confession, or on his refusal to submit to physical examination when he was drafted under the selective-service law.

Senator WOLCOTT. After we got into the war, did they continue to agitate against war?

Mr. STEVENSON. Yes.

Senator WOLCOTT. And also, at the same time, agitated against recruiting, or against conscription?

Mr. STEVENSON. Yes. I will mention also the following: As one of the men connected with this organization who has since been connected with a large number of other organizations of a similar nature, Amos Pinchot; Max Eastman, who has been indicted several times for violation of the espionage act, but the jury disagreed—that was in connection with the Masses case in New York City; Roger Baldwin, who is now serving sentence for violation of the selective-service act; L. Hollingsworth Wood, whom I have previously mentioned as one of the executive committee of the American League to Limit Armaments; Scott Nearing, who is now under indictment for violation of the espionage act; Oswald Garrison Villard; Max Eastman, who is the brother of Crystal Eastman, and the editor of the Masses, which is now known as the Liberator, and continues publication along the same line; Rev. John Haynes Holmes; Rev. Frederick Lynch; Prof. Emily Greene Balch, of Wellesley—I believe she was dropped from Wellesley on account of her activities in these organizations.

The executive committee of this union then organized a separate bureau which was entitled "The civil liberties bureau."

Senator NELSON. Let me ask you, there, is that the organization that is looking after these conscientious objectors?

Mr. STEVENSON. That was the original organization that began to do that.

Senator NELSON. There is an organization now, because I have been getting some literature from them lately.

Mr. STEVENSON. I will mention that in just a moment.

Senator NELSON. All right.

Mr. STEVENSON. Because that was a development from this civil liberties bureau, the American Union Against Militarism.

Senator NELSON. Yes.

Mr. STEVENSON. In this civil liberties bureau Roger Baldwin was the director; L. Hollingsworth Wood, Normal Thomas, a minister in New York, Amos Pinchot, and Rev. John Haynes Holmes, were on the directing committee, among other people.

They continued an agitation against the draft, encouraged conscientious objectors, and issued a considerable amount of pacifist literature.

Senator KING. Amos Pinchot was quite conspicuous in that propaganda, was he not?

Mr. STEVENSON. He was, and still is, in regard to similar propaganda.

They found that the demands on their organization became so great that they organized a separate organization known as the National Civil Liberties Bureau, and that is the bureau to which Senator Nelson refers.

Senator NELSON. That is now looking after the conscientious objectors?

Mr. STEVENSON. Precisely.

I might say that this National Civil Liberties Bureau was a national organization and had attorneys representing them in all parts of the country. They agitated against the conscription act.

Senator KING. Even after it had become a law?

Mr. STEVENSON. After it was passed.

Senator KING. Did they not arrest some of them?

Mr. STEVENSON. You mean——

Senator KING. For trying to prevent the execution of the law and conspiring to defeat the execution of valid laws of the Government?

Mr. STEVENSON. Their offices have been raided, and their documents seized by the Department of Justice, and the matter, I believe, is now pending in the United States attorney's office.

Senator NELSON. They have prosecuted some of them.

Senator WOLCOTT. What matter is pending—some indictment on the legality of the seizure of the papers?

Mr. STEVENSON. No; the legality of the seizure is not questioned, I think.

Maj. HUMES. You mean that the investigation is still pending?

Mr. STEVENSON. Yes; they have the papers still and, so far as I am personally acquainted with it, I do not know that any indictment has been brought in.

Senator NELSON. I know of a case in Minnesota where they have tried a man and convicted him, and given him four years, and this case is before the Supreme Court to-day to be argued.

Senator KING. If Mr. Pinchot, or this organization, tried to obstruct the draft law and the proper execution of the laws of Congress, I do not see any reason why they should not be prosecuted, the same as other people have been prosecuted. Is there any reason?

Mr. STEVENSON. Our bureau, Senator King, has been confined solely to the examination of the papers and the preparation of the relationship of these various organizations. We, ourselves, have not looked into the motive of any of these people and have had nothing to do with the preparation of any cases.

Senator KING. Indeed, there would be less excuse for men of intelligence to obstruct the execution of the laws of Congress, which laws were passed for the purpose of saving our Nation and civilization, than for ignorant men to do so.

Mr. STEVENSON. The National Civil Liberties Bureau not only undertook this matter, but attempted to assist any violators of the laws passed by Congress or the various States relative to the war. It took a very active part in assisting at the trial of the I. W. W. in Chicago.

Senator WOLCOTT. On the defense side, of course?

Mr. STEVENSON. On the defense side; yes. They issued a large amount of propaganda in the form of articles, leaflets, and books to justify the position and activities of the I. W. W.

Senator KING. Who were the chief officers of the organization you are now describing? Were they the same persons whose names I mentioned a few moments ago?

Mr. STEVENSON. Practically. I will give you those.

In November, 1917, the officers were: L. Hollingsworth was chairman—you can see the line coming together as the thing develops—the Rev. Norman Thomas; Helen Phelps Stokes, who

the sister-in-law of Rose Pastor Stokes; Albert De Silver, a lawyer in New York; William G. Simpson; and Walter Nelles, counsel.

On the directing committee we find Rev. John Haynes Holmes and Judah L. Magnes.

By the way, it is rather interesting to note that Judah L. Magnes was mentioned by Von Bernstorff in one of his aerograms to the foreign office dated 9th month, 8th day, 1916; and the aerogram was No. 381, eastbound, saying that "Magnes belongs to circles very friendly to us."

That may have no particular bearing on the proposition, but it is interesting in this connection.

Crystal Eastman was also a member of the directing committee.

This was after Baldwin had been sentenced to one year in prison.

To give an illustration of the sentiments entertained by the members of this committee, I have personally talked with a number of them, and if you will permit me to quote from the statement of Roger Baldwin himself to the trial judge at the time of his sentence——

Senator Wolcott. He was sentenced, then, for declining to perform military service, was he not?

Mr. STEVENSON. Yes. He says:

Though at the moment I am of a tiny minority, I feel myself just one protest in a great revolt surging up from among the people, the struggle of the masses against the rule of the world by the few, profoundly intensified by the war. It is a struggle against the political state itself; against exploitation, militarism, imperialism, authority in all forms.

That is pure anarchy. [Continuing reading:]

It is a struggle to break in full force only after the war. Russia already stands in the vanguard, beset by her enemies in the camps of both belligerents. The central empires break asunder from within. The labor movement gathers revolutionary force in Britain; and in our own country the nonpartisan league, radical labor, and the Socialist Party hold the germs of a new social order. Their protest is my protest.

The American Union Against Militarism organized another organization known as the Collegiate Anti-Militarism League, which had representatives from all the universities and colleges in the United States and worked for the same purpose.

Senator NELSON. When was that organized?

Mr. STEVENSON. That was organized in the fall of 1915 and continued active up until a few months ago.

Senator KING. Let me interrupt you for a moment. Have you discovered that in many of these universities of the United States there were professors who subscribed to these dangerous and destructive and anarchistic sentiments?

Mr. STEVENSON. A very large number.

Senator KING. And participated in this class of revolutionary and bolshevik meetings and organizations?

Mr. STEVENSON. Quite a large number of them, mostly among professors of sociology, economics, and history.

Senator KING. It seems to me this is a good time for the States and those who control the universities to look into that matter.

Senator NELSON. I should like to get a list of those professors.

Mr. STEVENSON. I have here a "Who's Who," that I prepared, giving a brief biographical sketch of them.

Senator NELSON. When you get to them, give it to us. I think the American people ought to know those professors.

Senator KING. It is a remarkable thing, Senator—I have made some investigation myself, and it is a remarkable thing—that in the universities there has been a festering mass of pure atheism and the grossest kind of materialism, and teachings destructive to our form of government and the civilization which a Christian nation recognizes.

Mr. STEVENSON. An examination of the records, Senator KING, shows that that is very widespread.

Senator KING. We ought to weed it out and drive out of the universities these pernicious teachers.

Mr. STEVENSON. These national organizations were cooperated with by local organizations in different places. In New York there was the New York Bureau of Legal First Aid, which later changed its name to the Bureau of Legal Advice. The purpose of this bureau was to assist draft evaders and men who were conscientious objectors or those opposed to doing military service.

Senator NELSON. They called themselves "first aid," using a medical term?

Mr. STEVENSON. Yes; in Chicago they had an organization known as the American Liberty Defense League. In Boston, they had the League of Democratic Control. A separate group which was very closely identified with these movements consisted of such organizations claiming a religious attitude. One of these was the Fellowship of Reconciliation, which was a branch of an organization of a similar name in England, and was established in this country by the Rev. H. D. Hodgins, of Devonshire House, London.

Senator WOLCOTT. Were these organizations of which you were just speaking organizations with some past history, some years of life behind them, or were they mushroom things that were nurtured during the war, and the prospect of having to go into the military service?

Mr. STEVENSON. I am not at all familiar with the English branch of the Fellowship of Reconciliation, but there was never such a thing in this country before the war; and this same group of people who were active in these other organizations were the ones who developed it here.

Senator WOLCOTT. What did they call it?

Mr. STEVENSON. The Fellowship of Reconciliation.

Senator WOLCOTT. I wonder how they hit on that name?

Mr. STEVENSON. It is beyond me, Senator. They published a paper entitled "The World To-morrow," which is still being published. It is an extremely radical sheet. It was opposed to militarism, opposed to conscription; opposed to war; and is now taking up the economic questions of the day along similar lines.

Senator NELSON. Is it still carrying on its propaganda?

Mr. STEVENSON. Yes. I have with me some of the copies of the paper, which will perhaps give you an idea of what sort of a sheet it is, in case you should like to look at it afterwards.

Roger Baldwin was connected with
Garrison Villard, John Hay,
I could go down the list; the

Senator NELSON. The same.

Mr. STEVENSON. Yes; the

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cer.

The Church Peace Union, which is an organization founded by Andrew Carnegie, and, I believe, a very conservative and excellent organization, was used by its secretary to gather information for the use of the National Civil Liberties Bureau on the question of pacifism and the question of conscription; in other words, the secretary of that Church Peace Union issued letters to the pastors and rectors and clergy asking them to express their opinions on the question of conscription and conscientious objection; and the results of that canvas were turned over for the use of the National Civil Liberties Bureau and their propaganda literature.

The socialists, gaining some strength among certain of the clergy, have organized two organizations known as Christian Socialists; one is the Christian Socialist Fellowship, which was organized in Louisville, Ky., in 1906, and the Church Socialist League in America, which was organized in 1911.

Senator NELSON. All that would imply that there are heathen socialists, too?

Mr. STEVENSON. Yes. They took a very strong position on the question of the war, and a good many of their officers——

Senator WOLCOTT. What do you mean by "the war"? Do you mean the European war——

Mr. STEVENSON. No; our war. A number of their officers also participated in these other organizations that I have mentioned.

Senator WOLCOTT. You employ the pronoun "they." By that do you mean the socialists that were identified with these two organizations?

Mr. STEVENSON. Yes.

Senator WOLCOTT. And only those socialists?

Mr. STEVENSON. That is all I am speaking of at the present moment.

Senator WOLCOTT. As I recall, there was quite a violent split amongst the socialists over our war?

Mr. STEVENSON. I will bring that out in the political parties that participated in the pacifist movement. I have tried to separate these things.

Senator KING. Is it your contention, Mr. Stevenson, that all of these organizations to which you have referred, and others to which you may refer, were controlled more or less by or in association with Germany?

Mr. STEVENSON. Not exactly, Senator. What I do contend is that they were encouraged by the Germans. They were hailed with enthusiasm by all of the German propaganda sheets, and given publicity.

Senator KING. Is there anything to show that they knew that their propaganda was regarded by Germany as helpful to Germany and its interests and hurtful to the United States and its interests?

Mr. STEVENSON. That would require a deduction, Senator. We have, for instance, in the Issues and Events, which was a distinctly German propaganda magazine, created by the Germans for the purpose of influencing public opinion in this country, a continuous series of articles giving publicity to the activities and approving in every way of the activities of these organizations.

Senator KING. What I have in mind is this: We can conceive of a person doing an act which is treasonable, and yet, because of lack of intelligence, or because of some peculiar mental quirk, he does not conceive it to be treasonable, and we can conceive of another person who might do the same act with an intent to do a treasonable act.

Mr. STEVENSON. We have tried to treat propaganda as a separate and distinct subject. The Germans launched the attack, created public opinion, and the consequence of that attack is the fruit. The success of it depends upon whether they have encouraged a certain sentiment in the people of the United States.

During the early period of the war we found a concerted action on the question of pacifism engineered by German agents—meetings, and thousands of articles in newspapers, thousands of booklets and pamphlets.

From that we find a strong pacifist movement growing up in the United States, carrying out exactly what the Germans wished, though we do not say what the motives of the people are: we do not know. But we believe that an analysis of the situation will convince anyone that it was the result of German propaganda.

Senator KING. Can there be any question but what the activities of these organizations to which you have referred contributed to the cause of Germany, and was harmful to the United States and the morale of the American people?

Mr. STEVENSON. I think there can be no question of that.

Senator KING. And is it apparent from the records which you have, and from the examination which you have made, that the members of these organizations of this sort, who were connected with them, were cognizant of the fact that they were helping the enemy and hurting the United States, and perhaps affecting the morale of some of the people in the United States?

Mr. STEVENSON. Well, Senator, that would call for a conclusion. I think that a reasonable man is supposed to know what are the reasonable consequences of his acts.

Senator KING. That is the implication of the law, that a man is presumed to know the consequences of his act.

Mr. STEVENSON. I have been very careful to emphasize, throughout this whole proposition, that we are not going into the motives of anybody who has participated in the propaganda campaign. We have tried to confine ourselves solely to the facts, and let the facts speak for themselves.

Senator KING. When your country is at war, fighting a war that is determined to destroy your country and civilization, the only one conclusion that I can draw from the activities of any person if those activities in any degree help the enemy and hurt their country, and that is that they are enemies to their country. Properly.

Mr. STEVENSON. In connection with this, the American Friends Service Committee, of Philadelphia, which was made up wholly of Quakers, participated in the pacifist propaganda, and some of its members assisted the National Civil Liberties Bureau in the particular work in which it was engaged, which was a little beyond what the Society of Friends would ordinarily have done.

The matter of the International Bible Students' Association—they were known as the Russellites—was an extremely interesting case of propaganda carried on by a quasi-religious organization.

The people who participated in that have been convicted and sentenced to 20 years' imprisonment. It was a very widespread movement.

Senator NELSON. What was the organization called?

Mr. STEVENSON. The International Bible Students' Association.

Senator NELSON. And some of those Bible students have been locked up, have they?

Mr. STEVENSON. All of the leaders.

Senator WOLCOTT. Except Pastor Russell, and he is dead, is he not?

Mr. STEVENSON. He died.

Senator NELSON. I suppose the Government is providing them with Bibles where they are now located?

Mr. STEVENSON. I hope so, Senator.

A very interesting phase of the pacifist movement was initiated with the Ford peace mission, and is particularly interesting because that commission was really inspired by Rosika Schwimmer, who was undoubtedly a German agent.

Senator NELSON. Where was she living?

Mr. STEVENSON. She was an Austrian journalist.

Senator NELSON. Where was she living?

Mr. STEVENSON. She just came over here, I believe, to start this movement, and she did not come back to the United States after she went over.

The result of that is interesting. Mr. Ford's peace secretary at that time was Louis P. Lochner, and it is interesting to bear his name in mind, because it continues over into the radical movement of to-day.

Mr. Benjamin W. Huebsch, a publisher in New York City, was also one of the members of the party, and Rebecca Shelley.

Huebsch was connected with the German propagandists in this country, and has published a large number of books on pacifism and antimilitary subjects, and has been connected with a number of pacifist organizations.

Prior to the entrance of the United States into the war, and subsequent to the Ford peace commission, there was organized a national association entitled the Emergency Peace Federation, of which the most prominent members were Mrs. Henry Villard, who was the mother of Oswald Garrison Villard, Emily Greene Balch, and Louis P. Lochner.

Senator NELSON. The same men you referred to before?

Mr. STEVENSON. The same men that I mentioned before.

Lella Faye Secor I will speak of later; also Rev. Frederick Lynch, who was connected with the Church Peace Union; Rebecca Shelley, and a number of others who were, in one way or another, connected with the other organizations.

This organization was designed to start propaganda to bring about peace at the time. It was after one of the German peace balloons went up that this organization was formed.

Another organization, participated in by a number of these people was the American Neutral Conference Committee.

In this committee there were a number of prominent men. A good many of them were educated in German universities, and undoubtedly had German leanings at that time, which it was no crime to have prior to the entrance of the United States into the war; but it is interesting to note, in connection with the other movement, that we find this Prof. Emily Greene Balch again, George W. Kirch of Columbia University, Rebecca Shelley—she was the secretary—and the Rev. John Haynes Holmes, the publisher of Benjamin W. Huebsch, Rev. Frederick Lynch, Lella Faye Secor, and others.

Senator WOLCOTT. How were all of these organizations financed? These people seem to have done more in the way of forming committees, bureaus, and so forth, than anything else.

Mr. STEVENSON. They published a large number of pamphlets. This organization also issued petitions, and so on.

Senator WOLCOTT. But it takes money to run all these things. It takes money to print. How did they get their money?

Mr. STEVENSON. That is a phase of the matter, Senator, which I have not gone into.

Our committee has simply been studying the phases of the propaganda. We have not gone into the financial side at all. That is something that it may yet be found wise to investigate.

Senator KING. It may have been done by other branches of the Government.

Mr. STEVENSON. It may have, though I am inclined to doubt it. I am not sure.

Senator KING. How late were those organizations of which you have been speaking actively engaged in their work or propaganda?

Mr. STEVENSON. The Emergency Peace Federation and the American Neutral Conference Committee are both defunct, and became defunct before the United States entered into the war.

Senator KING. Did any of them continue their activities after we went into the war, and were any of them organized after our country went into the war?

Mr. STEVENSON. I am coming to some that were organized afterwards. The American Union Against Militarism continued after we entered the war, and the Fellowship of Reconciliation is still continuing. The National Civil Liberties Bureau is still continuing and has continued during our participation in the war.

Senator NELSON. Yes; that is the one that is nursing the conscientious objectors.

Senator WOLCOTT. What is the place of residence of all of these organizations? Where is their habitat—in New York City?

Mr. STEVENSON. The American Union Against Militarism's habitat now is the Munsey Building, I believe, in Washington here.

The National Civil Liberties Bureau is now located at 41 Union Square, New York City.

The Fellowship of Reconciliation headquarters is 118 East Twentieth Street, New York City.

Senator WOLCOTT. Were not any of them located at 70 Fifth Avenue?

Mr. STEVENSON. Most of them were, until the owner of the building evicted them.

Senator WOLCOTT. They had a very expensive layout there, did they not, in the way of offices?

Mr. STEVENSON. Oh, yes—well, they were sufficient for their need.

Senator WOLCOTT. The rent, I should think, would be pretty high here. Did they subsequently buy any property?

Mr. STEVENSON. Not that I know of, Senator.

Senator WOLCOTT. The Y. W. C. A. in New York City—where is that located; on Fifteenth Street, I believe?

Mr. STEVENSON. No; the Y. M. C. A. building—

Senator WOLCOTT. The Y. W. C. A. building.

Mr. STEVENSON. I do not know, Senator.

Senator WOLCOTT. You do not know about that at all?

Mr. STEVENSON. No; I do not know about that.

With the declaration of war by the United States the *raison d'être* for the Emergency Peace Federation and the American Neutral Conference Committee ceased to exist, and they became defunct.

However, the movement continued to become more radical, and on August 4, 1917, the People's Council of America for Democracy and Peace was organized, with offices at 2 West Thirteenth Street, New York City.

Among the officers and executive committee are found Louis P. Lochner, Lella Faye Secor, Rebecca Shelley, Scott Nearing, Jacob Panken—who, by the way, is an extremely radical speaker, and a judge of the municipal court in New York City; Algernon Lee, socialist alderman, New York City; Max Eastman; Emily Greene Balch; Judah L. Magnes; Morris Hillquit; Eugene V. Debs, who is now serving a sentence for violation of the espionage act; Irving St. John Tucker, who was just convicted with Victor Berger for violation of the same act; and the treasurer of this organization is David Starr Jordan.

The advent of this organization was hailed with enthusiasm by the German propagandists, and wide publicity was given to it in the German organs, such as *Issues and Events*, *The Fatherland*, etc.

The object, of course, was to discourage the military activities of the United States and to bring about peace.

In a telegram which was sent by Lella Faye Secor to President Wilson they stated that their membership is 1,800,000.

Senator NELSON. Evidently these organizations were all in opposition to Gen. Pershing's organization over in France?

Mr. STEVENSON. That is certainly the impression that one might get, Senator.

This telegram to President Wilson states:

The organizing committee of the People's Council of America, now representing 1,800,000 constituents, believe that a combination of world events makes it imperative that Congress speak in no uncertain terms on the question of peace and war.

Senator WOLCOTT. What is the date of that telegram?

Mr. STEVENSON. This was in August, 1917.

Senator NELSON. After we entered the war?

Senator WOLCOTT. After Congress had spoken.

Senator NELSON. Yes; we spoke in April, did we not?

Senator WOLCOTT. Yes.

Mr. STEVENSON (continuing reading):

The eminent position of our country among the allies and the democratic members of our Government, and the lives and the future happiness of the young manhood of our Nation all demand that Congress should no longer remain silent and inactive on what is now the supreme interest of mankind—how to bring a just and lasting peace into the world. * * *

The Russian people are united for peace, based on the formula which is gaining acceptance everywhere: No forcible annexations, no punitive expeditions, and free development for all nationalities. * * *

Senator Wolcott. They might also have added: "And victory for Germany"?

Mr. STEVENSON (continuing reading):

Thus we have the representative assemblies of Russia, Germany, and England debating peace terms while only the American Congress remains silent in this fateful war.

Forward-looking men and women throughout the world are looking expectantly to Congress. Democracy is shamed by your silence.

That was a telegram addressed by this organization to President Wilson personally. This organization is still in operation, and they held a dinner last Monday evening in New York City, at which Scott Nearing presided, and they determined to flood the country with handbill propaganda, because their literature has been denied the use of the mails.

Senator Wolcott. What have they in mind now? What is the nature of their propaganda now?

Mr. STEVENSON. They are taking up the league of nations. They are seeking the amnesty of all political prisoners. They do not want any military establishment here. It is a very mixed type of propaganda. I do not know exactly what they are doing.

Senator King. It is practically the overthrow of our republican form of government, and the establishment of a—

Senator Nelson. Bolshevik government?

Senator King. Yes.

Mr. STEVENSON. There are a large number of persons connected with this organization that sympathize with the Bolshevik or Soviet form of government.

Senator King. Class government is what they want.

Mr. STEVENSON. I think we shall have to wait until we see the propaganda before we know exactly what they are doing.

Senator Wolcott. There is no telling what they are going to do.

Mr. STEVENSON. I do not think so.

The outgrowth of this People's Council was the Liberty Defense Union, with offices at 138 West Thirteenth Street, New York City, in which there is a curious mixture of intelligentsia and anarchist radical socialists and—

Senator Wolcott. What do you mean by "intelligentsia"—intellectuals?

Mr. STEVENSON. Intellectuals.

Senator Nelson. Senator, it means those anarchists who conduct their operations to brain storms and not to physical force.

Mr. STEVENSON. Among the members of this organization were Rev. John Haynes Holmes; Scott Nearing; Elizabeth Gurley Fitch, who is well known as an I. W. W.; Max Eastman; Kate Richards O'Hare—and, by the way, there is an extremely interesting collection

tion. Kate Richards O'Hare is now serving a sentence for violation of the espionage act, but she was an associate of Nicholas Lenine in the International Bureau, the People's House, in Brussels before the war, in 1914.

Senator WOLCOTT. This question has been running through my mind, Mr. Stevenson: Is it not a fact that these people, after all their efforts and agitation and the expenditure of a great deal of labor and emotional energy, after all did not make any kind of an impression at all on the plain, common-sense American people—speaking by and large, I mean; they did not make any dents, did they?

Mr. STEVENSON. I think if you really mean the American people, I should say no, Senator.

Senator WOLCOTT. That is what I mean. I mean the ordinary American citizen.

Mr. STEVENSON. But it is a fact that—

Senator WOLCOTT. Of course, they can make some trouble here and there in spots; but, taking the great body of the American people, were they not too level headed to be influenced by this outfit?

Mr. STEVENSON. We must remember, Senator, that the American people—and by that I mean really American people—are not present in very large numbers in our industrial centers. They have made a very great impression on the foreign element, which we will develop in the progress of the radical movement.

I have brought in this pacifist movement in this way because of its direct connection with the subsequent radical movement, which is the thing which is of most importance before the country to-day.

In connection with this Liberty Defense Union, Amos Pinchot was also a member; Eugene V. Debs; Henry Wadsworth Dana, a late professor of Columbia University; David Starr Jordan; Abram Shiplacoff, a Socialist assemblyman in New York; James H. Maurer, of the Pennsylvania Federation of Labor; and a large number of other persons of similar character.

The result of the Ford peace mission was the establishment of an international committee of women for permanent peace, which was organized at The Hague in 1915. They organized a special branch for the United States and that branch had a subsidiary in New York City, which is now known as the Women's International League.

It is rather interesting to note that at a meeting held on the 28th of November in New York City by this league, among the other literature which was disseminated was a pamphlet by a man known as Louis T. Fraina, entitled "Bolshevism Conquers," and the meeting resulted in a riot by some unattached soldiers that did not like the general tenor of the meeting.

Senator NELSON. They broke it up?

Mr. STEVENSON. Mrs. Henry Villard, the mother of Oswald Garrison Villard, was the honorary chairman; Crystal Eastman was the chairman; and Prof. Emily Greene Balch was also a member of that organization.

There was another rather interesting organization gotten up by the younger element of this group, called the Young Democracy, which was a radical organization, designed to promote antimilitaristic ideas and to overthrow the wage system and similar social reforms,

but its activities were considerably hampered by the seizure of documents and other things by the Government authorities.

Senator NELSON. They were a group of socialists, were they?

Mr. STEVENSON. I presume you might call them socialists. I don't know that they would strictly come under a definition of socialism, but they had socialist leanings.

There were a large number of other smaller institutions which were considerably active, one of which was the No-Conscription League, with offices in One hundred and twenty-fifth Street, New York City. That was organized by Emma Goldman and Alexander Berkman, the well-known anarchists, and they distributed vast literature against conscription and against the prosecution of war.

A little later I can give you that.

Maj. HUMES. May I interrupt you for just a moment, Mr. Stevenson? You referred to these organizations as being in New York, Louisville, or some other place. By that, as I understand it, you mean the headquarters of the organization? They were national in their scope, and sent their literature all over the country, and had branch organizations in different parts of the country, did they not?

Mr. STEVENSON. Yes; that is correct.

Senator NELSON. Have you got anything pertaining to the Nonpartisan League, or the leaders of the league?

Mr. STEVENSON. I am mentioning that among the groups of political organizations, Senator.

Senator NELSON. You are coming to that?

Mr. STEVENSON. I am coming to that.

Senator NELSON. All right.

Mr. STEVENSON. There was an organization among the Hebrews of the East Side in New York, and at one time they claimed 25,000 members, entitled "The League of Conscientious Objectors"; but it only created a rather violent agitation for two or three months; then, because of lack of leadership, it petered out.

There were three principal parties, quasi-political parties, which participated in this pacifist movement. The first was the Socialist Party of America. At the convention in St. Louis on April 7 to 10, 1917, the party was captured by the more radical or revolutionary wing under the leadership of Kate Richards O'Hare, Morris Hillquit, and Victor Berger.

It was then that the famous St. Louis platform was adopted, which was opposed to war, and was an extremely radical and revolutionary stand.

The Socialist Labor Party was another quasi-political party which took a similar or even more violent stand on the question of war, and finally the new creation, the Nonpartisan League, was formed, and I might quote from the platform of that party, as follows:

We therefore demand that our Government, before proceeding further with its support of our European allies, insist that they, in common with it, make an immediate public declaration of terms of peace without annexation of territory, indemnities, contributions, or interference with the right of any nation to elect and manage its own internal affairs.

We demand the abolition of secret diplomacy.

To conscript men and exempt the blood-stained wealth coined from the labor of humanity is repugnant to the spirit of America and contrary to the ideals of democracy. We declare the freedom of speech to be the bul-

human liberty, and we decry all attempts to muzzle the public press or individuals upon any pretext whatsoever. A declaration of war does not repeal the Constitution of the United States, and the unwarranted interference of military and other authorities with the rights of individuals must cease.

It is rather interesting to call attention at this time to the fact that the league was financed by dues paid by members. I believe they paid these dues in the form of notes.

Senator NELSON. Some cash and some notes?

Mr. STEVENSON. Some notes. When it came to securing funds they went to a man in New York City to advance them money.

Senator NELSON. \$20,000?

Mr. STEVENSON. \$20,000.

Senator NELSON. What was his name?

Mr. STEVENSON. Rudolph Pagenstecher, of New York City.

Senator NELSON. He was a German banker?

Mr. STEVENSON. Well, he was a manufacturer.

Senator NELSON. Yes.

Mr. STEVENSON. He is an American citizen, of course; American born. But you will find his name in that Friends of Peace organization.

Senator NELSON. They put up these farmers' notes as security?

Mr. STEVENSON. Yes.

Senator NELSON. Who were the main men in that organization?

Mr. STEVENSON. I am sorry that I have not with me the complete list of that organization.

Senator NELSON. Have you any list?

Mr. STEVENSON. I only happen to have it mentioned here. We have a list in our office in New York.

Senator NELSON. What have you here?

Mr. STEVENSON. I simply have the mention of Representative John A. Baer, of North Dakota, who was elected; that is all.

Senator NELSON. Have you not anything about Townley?

Mr. STEVENSON. I have not anything specifically about him, although he has been very active in it.

Senator NELSON. He is the leader of it?

Mr. STEVENSON. He is the leader of it; yes.

In reference to the pacifist movement in general, there were a large number of books published independently; a vast number of articles written by various authors, and circulated by German organizations. For instance, the concern that published The Vital Issue and Issues and Events kept a book store from which were sold all sorts of anti-military and pro-German and pacifist books, so that the public reached in this movement was extremely large. We have enumerated here about 52 organizations, with the directing committees, amounting to probably over a thousand persons, most of them people of education and ability, so that the magnitude of that movement can not be over-emphasized. There were a large number of conferences and conventions held—organized—by these various organizations, which were designed to promote propaganda activities. I have prepared here a "Who's Who" of some of the principal persons connected with these various organizations, which shows their relationship to all of them, which it might be interesting for you to look over privately. [Indicating list.]

The connection of the pacifist movement with the radical movement, which we considered the most important of all the propagandist developments, has been slightly indicated. You notice the trend of these organizations to become more radical. The German propaganda magazines began to show an interest in radical movements at about the time that the United States began to ship munitions and war materials to the entente. The purpose of the propaganda during that period was to stir up the radicals to create disturbances. Later, after we got into the war, their purpose was the same, but there was, in addition, a desire to stir up a revolutionary spirit in the radicals in this country, the same thing that had been done in Russia with such great success, and a thing which had nearly succeeded in Italy at Caporetto, and a thing which very soon bore fruit through the Bolshevism in France.

Before going into the radical movement, I think it might be well to define the three principal kinds of radical thought which make up the radical movement and which are merging in the development of Bolshevism. If you would care for me to give a theoretical analysis, I will do so.

Senator NELSON. Yes; but be brief.

Senator KING. Yes; I was just asking a member of the committee here whether that would be relevant to the issues which we were investigating. Would the radical movement now have anything to do with the German propaganda or the investigation of the activities of the brewers?

Senator NELSON. I think so. I think they are still carrying on propaganda now.

Senator KING. If that is traceable, of course, to the German propaganda, or is a part of the German propaganda, I think that would be relevant. Otherwise, I do not see its relevancy.

Let me ask you, Mr. Stevenson, is it your contention that this is a part of the German propaganda?

Mr. STEVENSON. I think it is a result of the German propaganda. I call your attention to these numbers of Issues and Events. This is a propaganda magazine. They begin to give publicity to Leon Trotsky here. [Indicating.] There is a history of Leon Trotsky in this magazine.

Senator KING. For the present, I think we will defer further testimony relative to that matter, Mr. Stevenson. The subcommittee executive session, will consider whether that is relevant. Have you anything else to offer?

Maj. HUMES. Can you, in connection with German activities—German newspapers, tell us anything of the activities and financials of German newspapers?

Mr. STEVENSON. I can tell you something in reference to that which I had reserved that.

Senator WOLCOTT. Here is a letter from Mr. I. N. Stevens of Denver, whose name was mentioned by the witness Smith in connection with the Colorado Chieftain. Mr. Stevens would like to have an affidavit, which he has forwarded, inserted in the record in answering Smith, and he requests that it be given the same publicity as was given the statement made by Smith. I glanced through it, and, so far as I have read, it seems to me highly proper to give

is request that it go into the record. Of course, as to our giving publicity to it, we have no control over that. The newspaper men might look at it.

Senator NELSON. The question is, when a witness testified here before committee under oath, and we could cross-examine him, whether a man can meet that with a simple affidavit. We will have no opportunity to cross-examine this man.

Senator WOLCOTT. He sets out in his affidavit the reasons why he is not here and can not come here now.

Maj. HUMES. Senator Overman fixed last Tuesday as the time for his appearance, and he was to be here.

Senator KING. Where is he now?

Senator WOLCOTT. He is in Denver. He has had a death in his family—it is stated somewhere in the affidavit or in the letter which accompanies it—which explains his inability to come here; and he asks that this affidavit be inserted in the record.

Senator KING. I suggest that the document be handed to Maj. Humes to look over, and if he decides that cross-examination is absolutely necessary, we will then determine what ought to be done.

Senator WOLCOTT. That is to say that it be inserted in the record, and if we want him as a witness we will send for him at a later date?

Senator KING. No; I thought we would have Maj. Humes look at the affidavit, and then when we reconvene at 2.30 o'clock we will determine whether the affidavit shall go into the record, and if cross-examination is necessary you will advise the committee, Major.

Maj. HUMES. All right.

(Thereupon at 12.10 o'clock p. m. the subcommittee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The subcommittee met pursuant to the taking of the recess, and at 4.10 o'clock proceeded.

Senator OVERMAN. Senator Thomas has asked me to read into the record, and give to it the same publicity as was given to the testimony of Austin J. Smith, the statement which I have in my hand from Mr. J. W. Stevens, in order that the newspaper men may hear it and use such parts of it as they want. I will ask Capt. Lester to read the statement of Mr. Stevens.

Senator KING. Can it not just be handed to the newspaper men instead of reading it?

Senator OVERMAN. Have you read it, Senator?

Senator KING. Yes; I have glanced at it hastily here.

Senator OVERMAN. I have not read it. Senator Thomas asked that it be read.

Maj. HUMES. It is a pretty long document, and would take about half an hour to read.

Senator NELSON. I suggest that it be printed in the record.

Maj. HUMES. The newspaper men tell me that there is a copy of it over in the press gallery, and they have all seen it.

Senator OVERMAN. Very well. Let it go in the record, then.

(The document just referred to is here printed in the record full as follows:)

STATE OF PENNSYLVANIA

County of Philadelphia, ss:

I. N. Stevens, being duly sworn, on his oath deposes and says:

That, he is a resident of Denver, Colorado, and has been such resident thirty-eight years.

That he has read the testimony of Austin J. Smith, given on the 14th of January 1919, before the Committee of the United States Senate investigating German propaganda in the United States.

That he has been most desirous of attending in person the sessions of the Committee to answer the testimony of said Smith, but the death of a niece a week and the death of another niece last night makes such attendance impossible within suitable time to make proper answer to the allegations of said Smith and therefore he has carefully prepared the following statement as a full and complete answer to the charges, insinuations and allegations of said Smith and prays said honorable Committee to make such statement a part of its report in the premises and to give such statement the same degree of publicity as was given to the testimony of said Smith.

That each and every allegation and matter and thing in the following statement is true as this deponent verily believes.

I. N. STEVENS.

Subscribed and sworn to before me a Notary Public within and for the County and State this 21st day of January A. D. 1919.

[SEAL.]

GEORGE MARK,
Notary Public

Com. Expires 4/19/19.

GENTLEMEN: I desire to assure you that were it not for the character which this distinguished Committee gives to the testimony of Austin J. Smith, I should not deign to appear here to answer anything he might say about either me or anyone else.

It is only through such a respectable tribunal as is your Committee that it would be possible for his obvious falsehoods, his absurd lies, his malicious insinuations to obtain publication in any honorable newspaper in the land.

A man without a fixed, or certain domicile, kept moving by the legal activities of the country, whose photograph is in the rogue's gallery of the Secret Service in Denver, who offers telegrams to this Committee that are confessed forgeries by the man who helped him prepare them in the city of Los Angeles could not by his own efforts get any space in a single reputable newspaper in America for the publication of such a serious charge against citizens of standing, as Smith has made to this Committee, at least without such news ascertaining his antecedents.

Therefore, I shall studiously avoid trying to improve the odor of the matter while I do my best to assist this Committee in its work and to make clear the truth which is as old as time: That slander cannot cloud nor malice defame an honorable name.

In carefully reading and rereading his testimony as given to this Committee I cannot find a single assertion that is the truth.

Mr. Smith says he was advertising and circulation manager of the *Chieftain* in Denver. He never was. He was one of several solicitors.

Mr. Smith speaks of my affairs as if he knew them intimately.

I have never had over a dozen talks with him in my life and those incidental.

He says I owned and managed the *Chieftain* in 1915 and 1916.

I neither owned nor managed the paper during any part of either year.

He says Mr. Swain leased the paper from me in 1916.

Mr. Swain never at any time leased the paper from me.

On the 6th of December, 1915, I sold outright and delivered to a Trust the purchasers every share but one of my holdings in the *Chieftain Printing Company* (the owner of the *Pueblo Chieftain*) to Mr. Granville G. Wilder and Mr. Walter L. Wilder of Pueblo and Mr. Alva A. Swain of Denver. Mr. Wilder was made General Manager and Managing Editor and Mr. W.

has made President and Business Manager, positions which they have held ever since. Mr. Swain was an editorial writer for the paper and Manager of the Denver business office.

Smith says he (Smith) was advertising and circulation manager from 1913 to January 1917.

Smith's work as solicitor for subscriptions and advertising was wholly terminated early in 1916.

I gave no instructions to Mr. Smith about the circulation of the paper at any time or at any place, and I never heard of Count Von Bernstorff or the German Consul or German propaganda in connection with Smith's position until the summer of 1916, when Smith tried to blackmail me.

Neither Smith nor anyone else during 1915 or 1916 ever paid to me one penny of any money received for circulation or for other purposes for the Chieftain except my fixed income on the lease.

Smith says part of his arrangement with Swain and myself was that the paper was to oppose Roosevelt and favor Hughes and fight Wilson. Aside from the absurdity of such silly statements concerning an alleged bargain made in 1915—long before Candidates for the Presidency were seriously discussed—I would say that I have always supported Roosevelt and did so very vigorously in 1916 for the Republican nomination. I went with Roosevelt in 1912 into the Progressive Party and was a member of the resolutions Committee from Colorado in the Progressive National Convention. I ran on the Progressive Party ticket that year for the U. S. Senate, against Hon. Chas. S. Thomas on the Democratic ticket and Hon. Chas. W. Waterman on the Republican ticket and always have been proud of the fact that against two such able and popular opponents I received in Denver, where all three of us lived, over twice as many votes as Mr. Waterman received and within two thousand of as many as Mr. Thomas received.

In 1916 I took the lead in getting as many delegates to the Republican National Convention as possible for Roosevelt, and he received a majority of the Colorado delegation.

As an illustration of the control I have had over the policy of the Pueblo Chieftain since 1911 I would tell you that in 1912 the paper supported Taft, while I supported Roosevelt, and the paper supported Waterman, the Republican nominee for the Senate, as against myself, the Progressive nominee.

In 1914, while I was City Attorney of Denver, I ran for the Republican nomination for Senator against Dr. Hubert Work of Pueblo and the Chieftain supported Dr. Work. In relation to the policy of the paper it is interesting to note the opinion of this subscription solicitor as to what the paper should have done on the *Lusitania* and other grave questions. If any subscriber dropped the paper on the strength of the *Lusitania* editorial he must have been the German employer of Smith's—about whom he boasted as being ready for bomb operations—as I shall presently tell you.

Meantime let me read you a few sentences from the *Lusitania* editorial. I will also offer the entire editorial as an exhibit to my testimony. Inasmuch as you are investigating German propaganda and not whether Mr. Smith alone under our guidance buncoed the unsophisticated Ambassador Bernstorff out of a few hundred dollars (for boiled down that is all there is to Smith's testimony) I urge you to have the files of the Chieftain carefully read for the years 1915 and 1916 and ascertain whether or not they really contain any propaganda of any kind. These files are in the Congressional Library quite close by, and I offer them as an exhibit to my testimony and I offer to pay any expense incurred in making such an examination if we can jointly agree on some capable person for such work.

Smith's sole purpose in giving this testimony could only be that of showing that Mr. Swain and myself were mercenary scoundrels placing our own gain, and that of our newspaper property, above all thoughts of duty to others.

Under the law we had a perfect right to do all that he says we attempted to do, but it would have been unfair to the Allies in Europe and of course degrading to ourselves.

But people do not ordinarily degrade themselves through playing the rôle of senseless business idiots, and we certainly would have been that if we had attempted any of the business operations outlined for us by Smith, and Smith's old friend Bernstorff would have gotten less for his money than from any other scheme he ever promoted or permitted any person to goldbrick him into subscribing to.

Smith says that the Germans insisted that the Chieftain should be sent all over the Western United States and Bernstorff pointed on a map to Colorado, New Mexico and Utah as being the territory to be covered first. Smith says that they were to pay \$20,000 in equal installments, and the first payment was \$1080. That would take 18½ months and at the regular subscription price (60 cents per month) of the Chieftain (and Smith says that the price was to be charged to make the transaction perfectly proper on its face and that this increase of circulation was a testimonial for the propaganda editorials already being run) the paper would be enabled to increase its circulation by the immense total of 1800 copies. You can easily see how this would be to the German Government—to have these 1800 papers sent to the population of Colorado, New Mexico and Utah and eventually California too, with German propaganda. Of course, it would have created such a tremendous sentiment that America never would have gone into the war.

Now about the publishers.

Every newspaper man knows that no daily paper in Colorado during the war could possibly be printed and circulated at a profit at two cents per copy—that any such profit would have to come from the increased advertising of the paper on account of such additional circulation.

As a matter of newspaper fact such circulation is not permitted to obtain advertising and thus Smith's statement ends along this line with an immutable logic—that we were willing to smear our characters with the use of these dirty dollars at no possible profit to ourselves or the paper for the sake of giving him a goodly commission.

No—Gentlemen—his statement would justify the hold which he has established along the lines of his chosen profession, for both sides of such business arrangement might as well be gold-bricked by Smith and ruin of all finances at once as to try to navigate any legitimate business deal with such theories.

This matter, along with other connections which Smith says he had with German Agents in this Country, has been examined into by the Federal Bureau in Denver; by some of the officials of the Council of Defense in Denver; by U. S. State Dept. officials (so I am informed); and by the Secret Service Bureau, and nothing has been found to sustain the charges or any of them.

I have the following information in a telegram from Denver, dated Jan. 10, 1918: "Roland K. Goddard (head of the U. S. Secret Service in that city) has partially made the following public statement last night:—'Smith was given every opportunity to prove his charges but he was never able to do so. A large number of the telegrams alleged to have been received from Bernstorff were written in the rear of a Denver Drug Store on telegraph blanks belonging to an old operator.'"

At no time have Smith's charges been the same. A few days after the United States entered the war, Smith and a pal of his went up and down the streets of Denver saying that Stevens and Swain ought to be interned for they had received \$50,000 from the German Government in the Mexican affair and \$20,000 from Bernstorff in the Propaganda matter.

The pal, with much gusto, would relate how, when Smith took the case of Godfrey Schirmer, President of the American Trust Co., Schirmer exclaimed: "Mein Gott! Twenty thousand dollars. I cannot cash that without responsible endorsement." And then seeing my name on the back, according to this Denver Crook, Schirmer threw out his chest and added, "I. N. Stevens! Well! Well! Here is your money!"

Unfortunately Colorado has no criminal law for Slander and both of these blackmailers are judgment proof.

Shortly after we entered the war, Smith went to the Manager of a very large manufactory in Colorado and told him that he, Smith, was in the employ of the German Government and had been for two years. That he had done most important work for Bernstorff, quite aside from publicity promotion, which was a mere incident in his duties, and he (Smith) knew that the plant of the company represented by Smith's auditor was to be blown up and if this man would give him \$3000 he would come east and get the job detailed to him (Smith) of blowing up the plant, and thus he could get these people out of the tolls of the law. The Manager referred Smith to the Attorney and the Attorney was called into Conference to hear the story of Smith. They concluded Smith was either having nightmares in the day time or was in some illegitimate enterprise and they dropped him.

In a talk with one of these persons, Smith insisted on the importance of his employment by saying: "I am very solid with all the German officials in the East and particularly with Bernstorff"—and displayed these forged telegrams. Then Smith added "I know well the man who manages all these bomb plots and I have his full confidence for he thinks I am one of them."

Then the gentlemen said: "And you have placed yourself in the position of being a traitor to your country?"

Smith replied: "Oh, yes. Of course they think I am a traitor to my Country, but they pay me well for it."

In the latter part of 1916 Smith got \$300. from a Denver man by showing him these bogus telegrams from Bernstorff and telling him that Bernstorff owed him (Smith) \$3500. balance for work he had done for the Germans and if this man would let him have \$300. for his trip East he would refund the money with a handsome present to the lender for the favor. Needless to say the friend never got any part of the \$300. or any present except his experience.

And now, gentlemen, it must be in your mind as to why Mr. Smith is here.

It certainly is in my mind and I can scarcely solve the mystery. So long as I thought there was a chance to work some of us for money there could be no surprise at the publicity of his lies. But this is a deliberate attempt to degrade and besmirch and to injure without any ground for hope that any of the persons attacked will come through with cash.

It is certain that Smith is not voluntarily here without being rewarded for his service. For sometime I have been diligently investigating to ascertain just who is financing Smith. I get these infamous lies in new garb at various places and at various times.

I am glad that a chance for public exposure has arrived and however long it may take I intend to see that Smith and his Confederate or Confederates are brought to the bar of justice.

Now I will tell you what I know about Smith.

First let me tell you briefly about my newspaper career, for you cannot possibly understand what follows without knowing that.

I am an Attorney by profession, but in 1900 to gratify a desire to continue literary work, which I had done more or less all my life, I dropped a large law business in Denver and bought the controlling interest in the Colorado Springs Gazette, a morning daily newspaper. At the end of three years we had built the institution up so that we were offered almost two for one of what it had cost. We accepted the offer and on the day I parted with possession of the Gazette, I took possession of the Pueblo Chieftain, which I had meantime purchased. I managed this property myself from 1903 until 1909 when my wife died—and I left the property in the care of others and went on a long trip to Europe and spent seven months wandering over the north of Europe as far toward the pole as Iceland and Spitzbergen. In 1911 I received a substantial payment on the purchase price and leased the paper at a fixed percentage of income on my investment and with an agreement for an annual payment on the purchase price. I immediately left for a trip around the world and I was not back in Colorado again until the summer of 1912, when I ran for the Senate on the Progressive ticket. In the Spring of 1913 Denver went under the Commission form of Government and I was made City Attorney, which position I held until June 15th, 1915. and on July 1st, I went to Philadelphia to become President of the Commonwealth Casualty Company which my brother, who had recently died, had established many years before and which was somewhat of a family institution in its controlling ownership.

While I was City Attorney, the leasing contract which I had made in 1911 was forfeited and the Pueblo Chieftain came back to my ownership December 1st, 1914. On the day I received the property, I entered into a leasing-selling contract with Walter L. Wilder, who took possession of the property. He held this way until December 6th, 1915, when he exercised his option to purchase, as I have stated before, and took the other gentlemen in as partners.

Two or three times during 1915 Mr. Wilder consulted me about various matters connected with the Chieftain, but the policy and management were always his and he exercised his control. Once when he was ill in 1915, I attended to the circulation statements for him necessary to be filed.

Mr. Alva A. Swain had been with me all the years I owned the Gazette and Chieftain up to 1911 and he remained with the new management as Denver representative.

My private office in Denver was in a suite of rooms occupied by the Chief Clerk and Mr. Swain.

Naturally, he would consult me when I was around, which was seldom, as the City Attorney's office was three floors away and I was pretty thoroughly tied down with my duties there until I left for Philadelphia, July 1st. After that I was occasionally in Denver and of course saw Mr. Swain and went to my office there.

When the Chieftain came back to me in December 1914, it was carrying were called the "Sayville dispatches"—that is, they came to the wire station at Sayville from Germany and were then the only official communication on the war from Germany.

Possibly three hundred people were taking the Chieftain on account of carrying these "Sayville dispatches"—which were afterward superseded by the Associated Press carrying the German War office's version of the war.

Mr. Smith was a circulation solicitor employed by the old management of the paper and was kept by the new management. In my talks with Wilder and Swain they told me that Smith strongly favored a campaign to get subscribers on account of the Chieftain being the only daily paper in Denver that carried these dispatches. During the years I managed the paper it had a daily circulation of from six hundred to one thousand in Denver. In 1913 that circulation had fallen down to about three hundred. Denver circulation was valuable indirectly to advertise the paper, for many Denver papers carried advertising in Southern Colorado newspapers. Then Denver was the State Capital and much political advertising came from that city.

Mr. Smith was set to work on a subscription campaign—so I was to Wilder and Swain—but he got rather indifferent results.

I remember only once of discussing the Denver circulation with Mr. Swain in the presence of Mr. Smith, and then I expressed myself rather emphatically about the small circulation then compared with what we had in 1908 but I never entered into any of the details of their plans and knew nothing about them. I think once Smith asked for suggestions and also for an introduction to the Secretary of the Republican City Committee. During the time Wilder was in Denver I may have taken the matter up for him (Wilder) with Swain. This was while I was City Attorney and prior to July, 1915.

In November 1915, I went from Philadelphia to Denver to close my deal with Wilder on the purchase of the Chieftain, for his option expired on December 1st, and I had another prospective buyer in the person of Mr. Henry W. B. of Raleigh, N. C., who came out about that time to examine the property.

On December 8th, I closed my deal with Wilder and Withers and Swain and went back to Philadelphia.

In January or February, 1916, the Agent for our Commonwealth Company in Denver was taken seriously ill and had to go South and Mr. Swain agreed to look after his affairs for me—but when he did not return Mr. Swain wrote me to employ Smith as he thought he would get good results and that he was no longer working for the paper, and I did so.

Smith really got good results for the first few months and along in the summer he came East and said he desired to make some suggestions that thought might be useful to the Company in Colorado. Smith wired from Buffalo a few days after this that his mother had died there and he would be delayed. I wired and asked him to see me in New York as I was going through there on business. This he did.

He told me what he had in mind was to open Company offices on the top floor of the Colorado National Bank Building—a beautiful new, marble building, then just completed, and to go after business vigorously—advertising. I told him it would be folly to go to too much expense for offices until a real business was established, for people had to be visited and very little business was ever obtained voluntarily at the office.

He then said, "Now, I know I can't clear these off for me, they can take all in square again." We had air and I told him we would advance undivided attention to this work. I subsequently paid to him and his name was inserted in the record and attached

(COPY)

Revenue
Stamp

DENVER, COLORADO August 4th, 1916.

On or before one year after date I promise to pay to the order of Commonwealth Casualty Company Six Hundred-----Dollars

at the Company's principal office in Philadelphia, Pa

THIS RECEIVED with interest at 6% per annum.

I hereby agree that the Company shall have monthly on or before the 20th 33-1/3 per cent of all my commissions until this note is paid in full

(Signed) A. J. SMITH.

A few weeks after this I saw in Denver—where I had stopped on my way to San Francisco to attend a meeting. He called me into my private office one day and closed the door and with a great air of mystery he said; "I tell you, I have been having a h—l of a time with an English detective who is following me day and night." Of course he waited for the proper questions, which I provided, for really he was very dramatic and I expected almost any crime to be confessed.

"Don't you know that I am in the employ of Bernstorff?" he exploded. "I haven't you been told that I have been doing all kinds of work for Bernstorff and how worried I am over these English detectives? Don't you know I received \$700 last Fall from Bernstorff and I have a photograph of the man and the English detective has offered me \$35,000 for all the information I possess."

"Well," I said, "What is the work you have been doing for Bernstorff?" He smiled a sickly, mysterious smile—looked at the ceiling and said, "I carried an important package for him from Washington to the West. I didn't know what was in it, but I suspect now what it is, and it would throw this country into war instantly if the English should get hold of it."

"If it is that important," I said, "By all means you should give the information to our own Government. If you have been doing anything that is unlawful, you had best tell the U. S. Authorities at once."

"Presently he said: "If it wasn't for a friend of mine, I'd tell in a minute; you see I would have to give up that Photograph of the draft and it would be h—l with him and he has been good to me and I owe him a lot of money." I said "I don't see how it can affect your friend, if your transactions have been legitimate, were they."

"Oh, yes!" he hastened to add.

"\$35,000, is a big temptation," he mused. "I think if I were you I would tell it," I suggested, looking him straight in the eye. "I believe I will"—he picked up his hat to go, then stopped.

"If I had a thousand dollars to clean up my debts to this man and to all his associates, I would drop the English and the Germans forever and work like the dog for the insurance company. That's what my wife and my father both want me to do."

"Nothing doing", I rather shouted at him "You promised to work like a dog for the insurance company when I advanced the other money to you and now it is time you were doing so or there will be a good case around here of obtaining money under false pretenses," I hotly said to him, and he left the room. On my oath, this is the first time I ever heard of Bernstorff or any other German in Smith's deals.

I went immediately to my old friend and my Deputy District Attorney in Denver when we were both young men—Thomas Ward, Jr., who had recently been U. S. Attorney for Colorado, and I told him the whole story.

"Blackmail" he exclaimed.

"Undoubtedly", I said, "but you must help me get to the bottom of the matter and find out about Smith whom I don't know for I have been away from Denver so much for the past ten years."

"I agreed to do this, but he wanted to see Smith, whom he did not recognize. I took him into our offices and Smith was still there. I introduced them and then went into Ward's office with him. "Stevens, I have run across that fellow somewhere and I think it was when I was U. S. District Attorney. You wait here until I return."

Half an hour he was back and with a loud laugh he said, "Oh h—l, I found him in the rogues gallery in the U. S. Secret Service office and I prosecuted

him for impersonating a U. S. Officer and he was acquitted on a technicality. They have had a lot of trouble with him and twice he had gone to Washington to complain about them."

So we investigated Smith and a lot of things in this Statement. As a result of such investigation, we are still at it and that is the reason I cannot give you more complete in the detail of names, etc.

We also found that Smith was in the background of a dastardly scheme worked up on five prominent men of Denver about 1912.

Of course, I summarily dismissed Smith from all services but had a job to get him to take down the Company sign from his office door. I found that while he was supposed to be representing my company exclusively, he had a half dozen licenses to represent rival Companies. Other rival Companies were evidently also buncoed.

I have gone thus fully into these matters that the facts might all be before your honorable Committee. I beg your co-operation in not only to undo the damage his vile statements have done me personally, but I beg your earnest help in bringing this deliberate perjurer to the bar of justice. The countenance given to Smith at this hearing has been more damaging to anybody could possibly presume. One of the biggest and fairest New York newspapers published Smith's statement in much detail in its midnight edition last Tuesday, and not one of the denials of myself, Wilder, Swain or Swann was there to contradict the story. Such denials were in the regular edition but none appeared in the country edition, which is the one circulated in Philadelphia, where I do business. Neither did Senator Thomas's vigorous denunciation of Smith appear in any edition of this same newspaper, so far as I have been able to ascertain. It certainly was not in the early edition. The oversight, course, was only an oversight, but it shows how hard it is to catch up with

Senator KING. Before we resume, Mr. Chairman. I recall reading some time ago one or two articles by the editor of the Providence Journal, appearing in World's Work, as I recall, in which the writer claimed that he had done a great deal of work to expose German propaganda, and that it was his activity that had resulted in work by the Department of Justice in finding out the German intrigues and German agents in this country; and I notice in the Providence Journal Almanac of 1919 the following:

In April, 1915, the Providence Journal exposed the German Embassy in Washington to discredit the Washington administration by means of false affidavits of neutrality violations in favor of British men-of-war getting supplies in this country. Beginning with this exposure the Journal began its series of articles concerning German government plots in this country, which focused the attention of the whole civilized world on this newspaper and its exposure.

And so forth.

I suggest to Maj. Humes that Mr. Rathom, the editor of the Providence Journal, be subpoenaed as a witness. Those articles that would indicate a great deal of knowledge on his part of German propaganda. I suggest to Maj. Humes the propriety of having Mr. Rathom appear here as a witness to testify.

Senator NELSON. Capt. Lester, I gave you a letter yesterday asking about that man Anderson?

Capt. LESTER. Yes.

Senator NELSON. You are clearing that up?

Capt. LESTER. Yes. We had a great deal of information about that man, Senator.

Senator OVERMAN. Is there anything else before we proceed to Mr. Stevenson?

Maj. HUMES. No, sir; we are ready to have Mr. Stevenson proceed with his statement.

TESTIMONY OF MR. ARCHIBALD E. STEVENSON—Resumed.

Mr. STEVENSON. The corollary of the propaganda which was mentioned this morning, and in which a large number of the persons engaged in the pacifist organizations have taken part and now take part, is what may be generally classified as the radical movement, which is developing sympathy for the Bolsheviki movement, and which in many quarters constitutes a revolutionary movement among the radical element in this country.

Senator KING. Your contention is that this is the result of German propaganda, had its origin in Germany, and therefore would be properly investigated under the resolution of this committee?

Mr. STEVENSON. Yes. The Bolsheviki movement is a branch of the revolutionary socialism of Germany. It had its origin in the philosophy of Marx and its leaders were Germans.

Senator KING. And is this German socialism of this country and Bolshevism of this country the product of or taught by these organizations to which you referred this morning, in part?

Mr. STEVENSON. The membership of those organizations was in large part made up of persons either members of the Socialist Party or in sympathy with it.

Senator NELSON. You mean that the German socialism was imported into this country by these men?

Mr. STEVENSON. By some of these men.

Senator NELSON. That is what I mean.

Mr. STEVENSON. Yes.

In order to have a clear conception, however, of the radical movement, I might say that there are three principal currents of thought that go to make it up, one of which is the syndicalist, which is represented in this country by the I. W. W., and the Socialist Labor Party—

Senator NELSON. They are in favor of what I would call sabotage?

Mr. STEVENSON. Yes. If you will permit me to read briefly a little memorandum that I have here, I will read it more rapidly.

The word "syndicate" is the French equivalent of our trade-union, but syndicalism has a decidedly revolutionary flavor, and must therefore be understood to mean revolutionary trade-unionism. This does not mean, however, that syndicalism is merely a fighting trade-unionism, although it originated from the cooperative or trade-union movement. It goes much further, and demands that wealth, productive and distributive, be controlled by the various trade-unions to the exclusion of the capitalists and the State. It believes that the railways should be controlled by the union of railway workers; that the coal mines should be controlled and operated by the miners' union, etc. Capitalists have no place in this scheme, save that experts in finance, engineering, and technology may be hired by the union. No central authority is contemplated, and national industry must be carried on by agreements made between various groups of workmen. This form of economic program has accordingly been termed "group anarchism." With syndicalism is coupled "propaganda by deed" or "direct action"; that is, the tactics of general strike and sabotage.

Senator OVERMAN. Are they in favor of legislative bodies?

Mr. STEVENSON. No.

Senator OVERMAN. Or executive officers?

Mr. STEVENSON. No.

Senator OVERMAN. They are in favor of a sort of mob rule?

Mr. STEVENSON. It is group anarchism.

Senator NELSON. Each group of workmen, for instance—in the case of miners, each group of miners—is a law unto itself, a government to itself, and each group of railroad men would run the railroads, and so on?

Mr. STEVENSON. The syndicalists believe society is divided into two sharply defined groups, the producers, usually interpreted as manual laborers, and nonproducers; and among the latter are capitalists and employers.

Between the exploited—namely, the workers—and their exploiters—namely, the employers—the syndicalist recognizes a state of continuous warfare, which is known as class struggle.

Syndicalism was developed in France in comparatively recent times.

Trade-unionism in France was not permitted until 1884, and, as in Russia, the workmen had to organize in secret. This made them law breakers and developed their antagonism to the government authorities.

The propaganda of socialists, anarchists, and other revolutionary bodies stimulated their revolutionary principles, and the employment of the regular armed forces of the French Government to break up strikes developed among some of these French trade-unions a pronounced militarist and antipatriotic character.

This attitude was aggravated through the propaganda of Gustav Hervé and others, who skillfully exploited the circumstances surrounding the strike of Longwy in 1905.

Senator OVERMAN. Do you know to what extent these groups have gone in the different nations—England and Italy and our other allies?

Mr. STEVENSON. They were quite extensive, only with varied forms. Each country modifies rather the theories of the different groups, but almost identical with the French syndicalist is the I. W. W. in the United States.

The I. W. W., because of its activities—

Senator OVERMAN. I do not know but I have seen it in the record, but I will ask you to state now just what you mean by the I. W. W.

Mr. STEVENSON. Industrial Workers of the World.

The Industrial Workers of the World, which, because of its activity, has attracted wide attention, has been the subject of various prosecutions for violations of the Federal and State laws and has aroused the sympathy and engaged the support of a large number of organizations and individuals who have acted against the interests of the United States during the war. For instance, the National Civil Liberties Bureau, which was most very extensively in the preparation and tactics of the I. W. W., and in every way cooperated to assist bail for William D. Haywood and, indicted in Chicago.

Senator NELSON. That bail went blow up the courthouse.

Mr. STEVENSON. The I. W. W. movement began in the fall of 1904, and at a secret conference in Chicago, Ill., on January 2, 1905, the industrial union manifesto calling for a convention to be held in Chicago on June 22, 1905, was drawn for the purpose of launching an organization in accordance with the principles set forth in the manifesto, which were distinctly syndicalist.

The work of circulating the manifesto was handled by the executive committee of this conference, the American Labor Union, and the Western Federation of Miners.

After several modifications, the preamble of the I. W. W., which is now in force—that is, the preamble of their constitution—was adopted at their fourth convention and is as follows:

The working class and the employing class have nothing in common. There can be no peace so long as hunger and want are found among working people, and the few who make up the employing class have all the good things of life.

Between these two classes a struggle must go on until the workers of the world organize as a class, take possession of the earth and the machinery of production, and abolish the wage system.

We find that the centering of the management of industries into fewer and fewer hands makes the trade unions unable to cope with the ever growing power of the employing class. The trade unions foster a state of affairs which allows one set of workers to be pitted against another set of workers in the same industry, thereby helping to defeat one another in wage war. Moreover, the trade unions aid the employing class to mislead the workers into the belief that the working class have interests in common with their employers.

These conditions can be changed and the interest of the working class upheld only by an organization formed in such a way that all its members in any one industry, or in all industries if necessary, cease work whenever a strike or lockout is on in any department thereof, thus making an injury to one an injury to all.

Instead of the conservative motto "a fair day's wages for a fair day's work," we must inscribe on our banner the revolutionary watchword "abolition of the wage system."

It is the historic mission of the working class to do away with capitalism. The army of production must be organized, not only for the every day struggle with the capitalists, but also to carry on production when capitalism shall have been overthrown. By organizing industrially we are forming the structure of the new society within the shell of the old.

The methods employed by the I. W. W. to carry out their purposes are described by Vincent St. John, who was one of the defendants in the Chicago trial. In a pamphlet entitled "The I. W. W., Its History, Structure, and Methods," published by the I. W. W. Publishing Bureau, 112 Hamilton Avenue, Cleveland, Ohio, we find the following statement of their methods and tactics:

As a revolutionary organization, the Industrial Workers of the World aims to use any and all tactics that will get the results sought with the least expenditure of time and energy. The tactics used are determined solely by the power of the organization to make good in their use. The question of "right" and "wrong" does not concern us.

No terms made with an employer are final. All peace so long as the wage system lasts is but an armed truce. At any favorable opportunity the struggle for more control of industry is renewed. * * * No part of the organization is allowed to enter into time contracts with the employers. Where strikes are used, it aims to paralyze all branches of the industry involved, when the employers can least afford a cessation of work—during the busy season and when there are rush orders to be filled. * * * Failing to force concessions from the employers by the strike, work is resumed and sabotage is used to force the employers to concede the demands of the workers. The great progress made in machine productions results in an ever increasing army of unemployed. To counteract this the I. W. W. aims to establish the shorter working day and to

slow up the working pace, thus compelling the employment of more and more workers. * * * Interference by the government is resented by open violation of the government's orders, going to jail en masse, causing expense to the tax payers—which is but another name for the employing class.

In short, the I. W. W. advocates the use of "militant direct action" tactics to the full extent of our power to make good.

That is their own statement of their methods of action.

Shall I refer to some of the matters that were spoken of in the executive session, Mr. Chairman?

Senator OVERMAN. Yes; those connected with this propaganda ought to be mentioned.

Mr. STEVENSON. I mean in reference to the attempt to quash the indictment in the case of the United States against William D. Haywood et al.

Senator NELSON. Those connected with the I. W. W.

Senator OVERMAN. Yes.

Mr. STEVENSON. The indictment of the I. W. W. leaders and their subsequent trial in Chicago, namely, the case of the United States against William D. Haywood et al., attracted wide attention. Defense committees were organized for the purpose of raising money to carry on the expense of the defense and to issue propaganda designed to lead the public to believe that the I. W. W. was a labor organization whose sole purpose was to better working conditions.

One of the organizations most active in assisting the defense committee, both in the matter of raising funds and securing bail for William D. Haywood and in carrying on a widespread publicity campaign, was the National Civil Liberties Bureau, of 70 Fifth Avenue, New York City.

A very careful examination was made of the files of the National Civil Liberties Bureau relating to the I. W. W.

Mr. Roger N. Baldwin, director of the National Civil Liberties Bureau, in a letter to Justin Ebert, 223 Richmond Street, Brooklyn, dated November 8, 1917, speaks of the proposed pamphlets against "The silly and outrageous indictments against the I. W. W."

Senator OVERMAN. Is that organization now existing in New York?

Mr. STEVENSON. Yes.

Senator OVERMAN. Is Baldwin still president of it?

Mr. STEVENSON. No; Baldwin is now in jail.

A further examination of these files indicates that a movement was set on foot about this time to exert influence upon officials and others to quash the indictments in this case, and on December 2, 1917, Mr. Frank P. Walsh, at that time cochairman with ex-President Wm. H. Taft, of the Industrial Relations Commission, addressed a letter to the National Civil Liberties Bureau, introducing J. A. Law and L. T. Chumley, both members of the defense council of the I. W. W. Thereafter Mr. Chumley took up his offices with the National Civil Liberties Bureau and worked with them in the plans for raising funds for the I. W. W. defense and in putting out propaganda literature justifying the position of the I. W. W.

Senator WOLCOTT. Was either of those men among the I. W. W. defendants?

Mr. STEVENSON. Jack Law was.

On January 11 Mr. Baldwin sent to Clarence Darrow, at 140 North Dearborn Street, Chicago, Ill., a copy of the minutes held in Wash-

ton relative to the I. W. W.'s on January 12, 1918. Copies of this report were sent to Gilbert E. Rowe, George B. West, Jack Law, Lawrence Todd, and others. The report says: "No action taken in absence of Messrs. Walsh and Darrow."

A letter was received from L. T. Chumley, of 1001 West Madison street, Chicago, Ill., by the National Civil Liberties Bureau, sending material for a pamphlet under separate cover and saying: "Frank Walsh will do the same," and asks suggestions as to how to raise \$1,000 bail for Haywood.

As an illustration of the type of propaganda put out by the National Civil Liberties Bureau, I offer as an exhibit this pamphlet, "The Truth About the I. W. W."

Senator WOLCOTT. That is an I. W. W. pamphlet?

Mr. STEVENSON. No; that is a pamphlet justifying the I. W. W. the National Civil Liberties Bureau.

Senator WOLCOTT. I mean the National Civil Liberties Bureau put out this pamphlet, which is really I. W. W. propaganda?

Mr. STEVENSON. Yes; it is propaganda, precisely.

The mailing list of the National Civil Liberties Bureau was put at the disposal of Wm. D. Haywood, who, in a letter, addressed to them May 21, says that he has engaged Harrison George to write letters to be sent to the National Civil Liberties Bureau mailing list.

Senator WOLCOTT. Is that one of the organizations—that National Civil Liberties Bureau—whose officers you were going to enumerate for me, or not?

Mr. STEVENSON. We enumerated the principal ones this morning, Senator.

Senator WOLCOTT. That had slipped my mind.

Mr. STEVENSON. Yes.

Scott Nearing assisted in the preparation of material for the defense and Mr. Charles W. Erving, 440 Pearl Street, New York City, socialist candidate for governor at the last election in New York, received \$400 for reporting the I. W. W. trial.

The danger of the sympathy which was raised by the I. W. W. is illustrated by an advertisement which appeared in the New Republic on June 22, 1918.

Senator NELSON. Where is that published?

Mr. STEVENSON. That is published in New York. It is a magazine.

Senator NELSON. Is it a monthly magazine?

Mr. STEVENSON. No. It is a weekly magazine.

Senator NELSON. Who are the publishers of it?

Mr. STEVENSON. Mr. Walter E. Weyl is the editor of it.

Senator NELSON. But who owns it?

Mr. STEVENSON. I think the main backer of it was Willard D. Wright. This advertisement appeared on June 22.

Senator NELSON. This last June?

Mr. STEVENSON. Yes; June, 1918. [Reading:]

Never mind what you think about the I. W. W. They are at least entitled to a fair trial and an open-minded public hearing. That is a primary American right.

One hundred and ten of their leaders are now before the Federal Court at Chicago, charged with conspiring to obstruct the war. But the trial involves essentially the activities of the I. W. W. as a labor organization.

The I. W. W. are entitled to the best legal defense they can make. They will bring scores of witnesses long distances. The trial will probably last months.

The Department of Justice, the Court, and the jury can be relied on to deal effectually with any criminal acts that may be disclosed. It is for us, we can liberals to make it financially possible for the defense to present the industrial evils underlying the I. W. W. revolt against intolerable conditions of labor.

Such a labor trial is of necessity enormously expensive. It will cost \$100,000. Of this about \$50,000 has already been raised from the members alone. But it is impossible to raise the entire fund from the members.

The whole sum needed can not be secured without the liberal financial support of those Americans who believe in the right of a fair trial, even for the I. W. W.

The undersigned therefore appeal to all liberals for financial help. It should be made out to Albert DeSilver, treasurer, 2 West 13th St., New York City.

ROBERT W. BRUEBE.
JOHN DEWEY.
JOHN A. FITCH.
PERCY STICKNEY GRANT.
CARLTON J. H. HAYES.
INEZ HAYNES IRWIN.

HELLEN KELLER.
JAS. HARVEY RICE.
THORSTEIN VEBLEN.
GEORGE R. WEST.
WALTER E. WEYL.

By the way, Albert De Silver was a member of the directing committee of the National Civil Liberties Bureau.

Mr. George P. West is the editor of The Public, a magazine.

Mr. Zeblen is one of the editors of The Dial.

Mr. John A. Fitch is the industrial editor of The Survey—they are rather liberal magazines.

Mr. Walter E. Weyl is the editor of The New Republic.

I might call attention to one of the newspapers issued by the I. W. W., entitled "The Labor Defender, an organ of revolutionary unionism."

There appears on the back page a rather inconspicuous cartoon. This is the issue of December 15, 1918. The title of this cartoon is

Every strike is a small revolution and a dress rehearsal for the big one.

Here is the paper, if any of you gentlemen would like to look at it.

Senator WOLCOTT. Mr. Stevenson, my recollection is that the National Civil Liberties Bureau was organized primarily to protect conscientious objectors from service in the Army and to oppose the idea of fighting. Is that correct?

Mr. STEVENSON. The National Civil Liberties Bureau was an outgrowth of the Civil Liberties Bureau of the American Union Against Militarism, made up of persons in sympathy with the pacifist movement. It then branched out into the protection of liberties in war time; in other words, the right of free speech, the right of peaceful assembly, "liberty of conscience and freedom from unlawful search and seizure."

Senator WOLCOTT. That is, the right of a conscientious objector not to serve.

Mr. STEVENSON. That was one of the main features.

Senator WOLCOTT. Did I, in the main, correctly describe its purposes as twofold, first, against fighting, and, as a corollary to that, to protect everybody in all his activities of a nature designed to promote the idea of opposition to fighting?

Mr. STEVENSON. The literature issued by that bureau was calculated to instruct a man how to be a conscientious objector, if he did not know what a conscientious objector was.

Senator OVERMAN. It was a suggestion to him to keep from fighting.

Mr. STEVENSON. It can be so construed.

Senator WOLCOTT. Is that general description that I have given there fairly accurate.

Mr. STEVENSON. Fairly accurate, yes; but they also attempted to protect everybody who was indicted under the act of Congress or of the various States.

Senator WOLCOTT. I am just coming now to this thought: This organization, which seems to be animated by a very violent opposition to the idea of fighting, at the same time, from what you have just been saying, seems to have been quite in love with fighting as that idea was applied to these I. W. W.'s, because it was rendering assistance to them in their defense and was circulating their pamphlets?

Mr. STEVENSON. While they did not say that they justified the ends or methods of the I. W. W., yet they claimed that civil liberties were being infringed upon by that prosecution.

Senator WOLCOTT. But they also circulated a pamphlet by the I. W. W. laying out its propaganda?

Mr. STEVENSON. They did.

Senator WOLCOTT. That I. W. W., as I understand it, is an organization which recognizes as one of the legitimate weapons the institution of revolution—violence?

Mr. STEVENSON. They certainly recognize violence.

Senator WOLCOTT. But this peaceful and pacific organization which was called the National Civil Liberties Bureau found violence as applied by the I. W. W. quite acceptable to them; whereas violence as applied by the armies of a free people was unacceptable to them? Is that correct?

Mr. STEVENSON. Apparently, that would be the conclusion.

The influence of the I. W. W. is steadily growing. Their propaganda is extensive. I have here several of their publications, which may be of interest. The New Solidarity, published in Chicago, is an interesting sheet. Here is one of its issues.

They also publish the California Defense Bulletin, in San Francisco; the Defense Bulletin of Seattle, Wash.; and a very large number of books, pamphlets, and other propaganda. Here are samples of the newspapers just mentioned.

The danger of this organization is that it captures other unions or labor organizations by peaceful penetration. I might give as an illustration the federation of hotel workers. The exact name is the Federation of Workers in Hotel, Restaurant, Club, and Catering Industry, which has its headquarters at 158 West Forty-sixth Street, New York City.

The preamble of this organization is almost identical with that of the I. W. W., and is as follows:

The workers of the Hotel, Restaurant, Club and Catering Industry have organized this Federation with the intention to give an opportunity to all workers employed in the industry to improve their conditions according to the necessities and conditions of life.

Taking into consideration the fact of past experience that it is impossible to accomplish anything worth while by following the old system of craft or trade unionism, we have come to the conclusion that in order to cope with the present situation successfully, the workers must organize and combine industrially on the economic field, on the field of the class struggle. In advocating these principles, we again recognize the necessity for the workers to fight continually to

shorten the work day, to increase the pay according to the conditions of pay where they live, and to cooperate with all other workers who struggle for the abolishment of the wage system for the complete emancipation of labor. We therefore unite under the following constitution.

An examination of the minutes of the convention at which this constitution was adopted, on July 12, 1918, shows the following resolution adopted:

Resolved, That our present and future officers shall see that our members will be instructed in the Class Struggle that is leading all to a great crisis which will occur in the near future. Therefore it is necessary for all workers to be prepared to show their solidarity in the final overthrow of capitalism.

Among the documents found on the premises were copies of the *Almanacco Sovversivo* (Almanac of the Revolution), an Italian publication of a very revolutionary and incendiary character. These were taken from the headquarters of this organization.

Posters were found upon which were printed:

We, the New York waiters, shall stand on the principles of the Bolsheviks.

There was also a volume of Mentana's *Faccio a Faccio Col Nemico* (Face to Face with the Enemy), a revolutionary novel designed to instruct its readers in the manufacture of bombs at home.

This federation publishes an organ, a newspaper, in which articles appear in various languages. Its editor is Vincenzo Vacirca, who was a collaborator with Arturo Giovannitti, the well-known I. W. W. agitator.

The danger of such an organization as this is shown by the number of strikes which it has called in the last year; and in this connection an article appearing in the New York Tribune, November 1, 1918, of interest:

Dr. George W. Kirchwey, Assistant Federal Director in this State, of the United States Employment Service, obtained last night, pledges of assistance directing strikers into government service from every member of the executive committee of the Waiters Union. The conference was held at 158 West 46th St.

"The story being spread that the government or the employment service is against the strikers is false," said Dr. Kirchwey. "The truth of the matter is that we wish to obtain better positions for the strikers in war industries."

When we consider that the strikers belong to an organization which advocated violence, we see how dangerous it is to introduce them at munition plants and war activities.

Another one of the agencies holding the syndicalist doctrine in this country is the Socialist-Labor Party, and that is illustrated by their platform adopted on April 30, 1916, as follows:

We hold that the true theory of economics is that the means of production must be owned, operated and controlled by the people in common. Man cannot exercise his right to life, liberty and the pursuit of happiness without ownership of the land and tools with which to work. Deprived of these, his life, his liberty and his fate fall into the hands of that class which owns the essentials for work and production.

We hold that the existing capitalist appropriation of the products of natural and social opportunities—dividing them between the capitalist class and the working class, the class struggle and perverts government.

Thus labor is robbed of the wealth it produces, of self employment and, by compulsory idleness, of the necessities of life.

Against such a system the socialist movement is organized and demands the unconditional surren-

place of such a system the socialist labor party aims to substitute a system of social ownership of the means of production, industrially administered by the working class—the workers to assume control and direction as well as management of their industrial affairs. This fellowship of necessity requires the organization of the working class as a class upon revolutionary, political and industrial lines.

We therefore call upon the wage workers to organize themselves into a revolutionary political organization under the banner of the socialist labor party; and to organize themselves likewise upon the industrial field into a revolutionary industrial union in keeping with their political aims.

Senator NELSON. In all these documents to which you are referring they make two broad general divisions of workmen and capitalists, but they have not a word to say about a big class between the two, and that is the consumers?

Mr. STEVENSON. Well, they are as much opposed in theory to the bourgeoisie as they are to the capitalists.

Senator NELSON. To the consumers?

Mr. STEVENSON. Yes. This party is extremely active in the spread of its propaganda. Over a million and a half leaflets were distributed during the year, not including those distributed by the local sections.

The party publishes the following weekly papers: The Weekly People, its official organ in English, of which I have a copy here.

Senator OVERMAN. Here is an exhibit that you put in, Mr. Stevenson, called the California Defense Bulletin, the issue of December 1918. It says:

THE SPREAD OF BOLSHEVISM.

Great things are about to happen. In fact something has happened that has given a thrill of joy through the heart of every true internationalist.

Germany has followed the example set by Russia; the Kaiser and his military gang have been pulled down from their high horses, and the workmen and soldiers have taken over the reins of the government.

The inspiring news was flashed through the world that the soldiers and workers had joined the revolution, thus avoiding a bloody and long-drawn civil war. It is apparent that the Russian Bolsheviks had carried on an agitation among the German soldiers as well as among the civilian population, and the results are such that we feel inclined to tip our hats to the Bolsheviks and exclaim: "Well done, brave soldiers of the class war."

Bolshevism is contagious. It is now reported that a revolution is brewing in Holland. There have been strikes and riots in Switzerland and in Copenhagen, Denmark. In Sweden there has been a manifesto issued calling workers and soldiers to unite and organize along the same line as in Russia.

The writer is acquainted with conditions, and is aware of the sentiment among those opposing the Swedish Army, and it is safe to predict that the transformation, or rather the revolution will be accomplished without much bloodshed. Our Swedish fellow workers have for years carried on a systematic agitation against militarism, and have gone into the barracks and training camps distributing literature—and that they have been successful nobody who knows the real state of affairs can deny. It is only a question of time, and may be nearer than we can realize when the Swedes will straighten up and throw the profiteers and militarists off their backs. They are slow in starting, but when they set out to do anything, they usually do a perfect job.

Let the "patriotic profiteers" howl and shout themselves hoarse. Let them summon all their stony-faced judges and their hypocritical pulpsters—it will be of no avail. They can not stop the onward march of labor. The day of industrial freedom is drawing near. Get ready and do your part to speed the day.

Does that indicate, taken in connection with what you have referred to in these other publications, that there is an organization in this country, now, to bring about a Bolshevik revolution?

Mr. STEVENSON. I believe that is the desire of a number of leaders. I would not want to say it as definitely proved.

Senator OVERMAN. These papers indicate that that is going on now?

Mr. STEVENSON. All of these papers seem to indicate that.

The other publications of the Socialist Labor Party are the following newspapers: Arbetaren (Swedish), Volksfreund (German), Arbeiter-Zeitung (German), Proletarets (Lettish), A Munksgård (Hungarian), Radnucka Borba (South Slavonian).

I believe they are also planning to have a Jewish paper.

Senator NELSON. They are all carrying on this propaganda?

Mr. STEVENSON. Yes.

Senator OVERMAN. So that it looks as if it were nearly worldwide—this socialism and Bolshevism and syndicalism. This is to show that this propaganda is prevalent throughout the world, advocating a revolution in every country in the world—in Sweden and Switzerland?

Mr. STEVENSON. Yes.

The prosecution of the I. W. W. enlisted the sympathy and support of the Socialist Party of America. This was shown by a protesting leaflet printed in Yiddish, which was picked up in the I. W. hall, 74 St. Mark's Place, New York, in the middle of December year. The translation of it is as follows:

Socialists attention:

The National Executive Committee of the Socialist Party not long ago at a session that "the socialist party repeat the declaration of support of economic organizations of the working class and declares that listings, tortures and persecutions of the I. W. W. constitute an attack upon every working man.

And we call attention to the fact that the charges against the I. W. W. ground that they burnt crops and forests and destroyed a lot of property been submitted to a legal test turned out to be all lies.

The socialist party has always lent its material and moral support to organized labor everywhere, and whenever attacked by the capitalistic class, it was the character of the organizations. We therefore pledge ourselves to support the I. W. W.'s who are to be tried at Chicago and other places, ask for a fair trial and without prejudice, and we ask our members to do everything in their power to help the I. W. W. by informing the public of the true facts, also to refute the falsehoods and misinformation wherewith the capitalists poison and prejudices public sentiment against these workers who are for destruction just as other workmen and leaders have been repeatedly to destruction by the same capitalists.

Socialists collect funds and send to the I. W. W.

Bring the matter up in your local organizations and branch meetings, and ask them to send two delegates to the I. W. W. Defense Committee that meets Sunday at 3 p. m. 74 St. Mark's Place, New York.

All contributions are sent by the above mentioned address to the general office at Chicago.

I. W. W. Defense Committee, 1001 West Madison St., Chicago, Ill.

All checks to be made payable to W. D. Haywood, general secretary.

Greetings of the I. W. W. Defense Committee of New York.

That centers attention on the Socialist Party in America and on socialism in general.

I should like to point out that socialism may be divided roughly into two principal kinds, one of which is the conservative evolutionist branch, which is sometimes known as the opportunist or pragmatist, which desires to bring about its purpose through parliamentary means and the power of the ballot. The second branch, which is the

ary socialism, otherwise called impossibilist, is the official German
alism, and is the father of the Bolsheviki movement in Russia, and
equently the radical movement which we have in this country
ay has its origin in Germany.

Senator NELSON. Is that a part of their kultur?

Mr. STEVENSON. It was one of the manifestations of their kultur, I
ve.

Senator OVERMAN. You used the word "impossibilist." Why do
call it that?

Mr. STEVENSON. Because they found it impossible to cooperate with
ing forms of government.

Senator OVERMAN. And they wanted to tear down the existing
n of government?

Mr. STEVENSON. Yes.

he capture of the Socialist Party in America in April, 1917, by
revolutionary socialist element is of particular interest because
members of the committee which brought in the majority report,
committee on war and militarism of that convention, had for its
er Kate Richards O'Hare, and Mr. Victor Berger was a member
that committee. Both of these persons were delegates from the
ed States to the International Socialist Bureau at Brussels,
h carried out its world-wide propaganda from the People's
se in Brussels. Representatives from other countries were Nicho-
lenin, the leader of Russian Bolshevism, and Rosa Luxemburg.

Senator NELSON. Lately deceased?

Mr. STEVENSON. Lately deceased; who was one of the leaders of
German Bolshevist element known as the Spartacus group, and
Liebknecht.

Senator OVERMAN. He is also deceased?

Mr. STEVENSON. Yes; he is also deceased.

Senator OVERMAN. Was Berger in the same convention with Lieb-
ht and Rosa Luxemburg?

Mr. STEVENSON. Yes; he was a delegate to the same bureau, and
esented the United States.

Senator NELSON. Oh, he belonged to the same group.

Senator OVERMAN. I know he did; but I did not know that he had
ded the convention over there with them.

Mr. STEVENSON. The adoption of the majority report of the com-
ee on war and militarism at that convention resulted in the with-
al from the party of the conservative element, or the evolution-
socialists, such as Charles Edward Russell and John Spargo,
have since done valuable service to the Government in the prose-
on of the war.

Senator OVERMAN. Where was that convention held?

Mr. STEVENSON. At St. Louis.

Senator OVERMAN. When?

Mr. STEVENSON. April 7 to 14, 1917.

Senator OVERMAN. Messrs. Russell and Spargo quit when they
ted those resolutions?

Mr. STEVENSON. Yes.

Senator OVERMAN. And did valuable service for the Government?

Mr. STEVENSON. Yes.

At this convention the following resolution was adopted:

Now, therefore, be it resolved, that the socialist party being the party of the working class in its fight for industrial freedom, and its power mainly in its clear-cut, specific declaration of political and economic principles, rather than in the number of votes passed for party candidates, the purpose of the socialist movement being the emancipation of the workers from economic servitude, rather than the election to office of candidates, therefore, declared to be the sense of this convention that all state institutions facing the solution of this question be urged to remember that compromise is to be swallowed up and utterly destroyed; that we be urged to maintain the revolutionary position of the socialist party and to maintain in the utmost possible vigor the propaganda of socialism, unadulterated association of office seekers, to the end that the solidarity of the workers and the principles of international socialism may continue to lay the foundation for the social revolution.

The social revolution, not political office, is the end and aim of the party. No compromise, no political trading.

That is a clear statement of the position of the party. The party has become the most active propaganda organization in the United States.

Senator OVERMAN. That is this Socialist Party with which I was connected?

Mr. STEVENSON. Yes.

Senator NELSON. Have you any idea of the number of these papers?

Mr. STEVENSON. No; but you might possibly gauge it by the number of papers.

Senator NELSON. How many papers have they?

Mr. STEVENSON. There are probably more than 250 newspapers.

Senator NELSON. What proportion of them are foreign-language papers?

Mr. STEVENSON. I have never calculated that.

Senator NELSON. The greater proportion of them are foreign-language papers, are they not?

Mr. STEVENSON. Yes; I should say they were, although there is a very large number of papers published in the English language and have quite a number of them here.

Inspector Tunney rather gave the impression in his testimony here that the number of people interested in this movement was limited. However, if we take the newspaper circulation as any index of the interest manifested in this movement, you will find the number is extremely large. For instance, the Forward, a paper published in Yiddish in New York, has a daily circulation of something over 200,000. The New York Call, a Socialist organ published in English, has a very large circulation, and also there are a number of smaller publications of purely socialistic type.

Senator OVERMAN. Do those papers openly advocate revolution?

Mr. STEVENSON. Well, they hint at it, Senator. I will show you a few of them here to show you their character, if you would look them over. I do not know whether it is necessary to put them in the record.

Senator NELSON. You might put the names of them in the record. Have you a list of them?

Mr. STEVENSON. I have a partial list of them here. I have a complete list of them.

Senator NELSON. I think that list ought to be put in the record. Mr. Chairman.

Senator OVERMAN. Yes; put that list in the record.

(The list is here printed in the record, as follows:)

The Social activities of the part facilitate contact with other radical organizations. As an illustration we quote from the issue of the Labor Defender, the official organ of the I. W. W., issue of December 15, 1918, as follows: (P. 2, col. 5.)

"They say there'll be 10,000 at the New Years Eve ball of the Rand School in Madison Square Garden. Lets make it 11,111, if only out of appreciation for the friendship the Socialists have shown during our trials and tribulations."

In addition to the publication and dissemination of books, pamphlets and leaflets, the Socialist propaganda is carried on by a thoroughly organized press, of which the following newspapers are the more prominent:

Arizona Bulletin, 38 So. 4th Ave., Phoenix, Ariz.

People's Friend, Rogers, Ark.

California Social Democrat, 1307 W. 45th St., Los Angeles, Cal.

The World, 581 13th St. Oakland, Cal.

The Vorwaerts, 141 Albion St., San Francisco, Cal.

Western Comrade, Llano, Cal.

The Critic, 620 Main St. Grand Junction, Colo.

The Citizen, Box 135, Los Angeles, Cal.

International Socialist Review, 341 East Ohio St., Chicago.

Social Demokraten, 2003 N. California Ave., Chicago.

Examiner, 551 Newfield St., Bridgeport, Ct.

Svenska Socialisten, 2003 N. California Ave., Chicago.

Rovnost Indu, 1825 S. Loomis St., Chicago.

Proletareo, 4006 W. 31st St., Chicago.

Radnicke Strass, 830 S. Racine Ave., Chicago.

American Socialist, 803 W. Madison St., Chicago.

La Parola Dei Socialisti, 803 W. Madison St., Chicago.

Arbeiter Zeitung, 1642 N. Halsted St., Chicago.

Naujienos Lithuania, 1841 S. Halsted St., Chicago.

Sziennik Ludowy, 939 Milwaukee Ave., Chicago.

Spravedlnost, 1825 S. Loomis St., Chicago.

Muscatine County Socialist, Box 52, Muscatine, Ia.

The Chronicle, Pittsburg, Kansas.

Appeal to Reason, Girard, Kansas.

Dexter Dispatch, Dexter, Kansas.

St. Louis Labor, 966 Chouteau Ave., St. Louis, Mo.

Russkaya Sjizn, 215 Elfred St., Detroit, Mich.

Der Herold, 96 Brush St., Detroit, Mich.

New Times, 5202 34th Ave., So. Minneapolis, Minn.

Two Harbors Socialist, Two Harbors, Minn.

Gaa Paa, 2301 7th St., So. Minneapolis, Minn.

The Social Revolution, 703 Pontiac Bldg., St. Louis, Mo.

Montana Socialist, Box 147, Butte, Mont.

Lalsve, 183 Roebling St., Brooklyn, N. Y.

The Solidarity, 2A Foxhall St., Brooklyn, N. Y.

Novy Mir, 40 E. 4th St., New York.

New Review, 256 Broadway, New York.

New York Call, 444 Pearl St., New York.

Intercollegiate Socialist, 70 5th Ave., New York.

New York Volkszeitung, 15 Spruce Street, New York.

Gleichelt, 16 W. 21st St., New York.

Forward, 175 E. Broadway, New York.

Glas Svobody, 502 E. 75th St., New York.

Elore, 5 E. 3rd St., New York.

The Citizen, 851 Albany St., Schenectady, N. Y.

The Masses, 91 Greenwich Ave., New York, now known as "The Liberator."

The Iconoclast, 110 W. 3rd St., Minot, N. Dak.

Socialist News, 737 Prospect Ave., Cleveland, O.

Cleveland Citizen, 125 Oregon St., Cleveland, O.

Miami Socialist, 25 No. Main St., Dayton, O.

Robitnys, 2335 W. 11th St., Cleveland, O.

Ashtabula County Advance, 326 Harbor St., Conneaut, O.

Hamilton Socialist, Hamilton, O.

The Tenant Farmer, Kingfisher, Okla.

Oregon Bulletin, 231½ Oak St., Portland, Oregon.
 Toveritar, 131 24th St. N. E., Portland, Ore.
 Toveri, 10th & Dusne Sts., Astoria, Ore.
 Tageblatt, 803 Calowhill, Philadelphia, Pa.
 Labor Advocate, 436 Washington St., Reading, Pa.
 Kova, 226 N. 6th St., Philadelphia, Pa.
 L'Union Des Travailleure, Charleroi, Pa.
 Labor Advocate, Box 570, Providence, R. I.
 The Commonwealth, Mitchell, S. Dak.
 The Rebel, Hallettsville, Texas.
 Union Starr, Brookneal, Va.
 Washington Socialist, 612 California St., Everett, Wash.
 The Party Builder, Box 91, Everett, Wash.
 The Daily Call, 74 Pike St., Seattle, Wash.
 Wheeling Majority, 41 Market St., Wheeling, W. Va.
 Labor Argus, Charleston, W. Va.
 Vorwaerts, Brisbane Hall, Milwaukee, Wis.
 Tyomles, Box 553, Superior, Wis.
 Milwaukee Leader, Brisbane Hall, Milwaukee, Wis.
 Daprsod, 532 Chestnut St., Milwaukee, Wis.
 The New Age, 616 E. Genesee St., Buffalo, N. Y.

Mr. STEVENSON. Another significant resolution adopted at the St. Louis convention had reference to the relations of the Socialist Party to labor organizations, in which the following paragraph may be found:

It is the duty of the party to give moral and material support to the labor organizations in all their defensive or aggressive struggles against capitalist oppression and exploitation, for the protection and extension of the rights of the wage workers and the betterment of their material and social conditions. It is also the duty of the members of the socialist party who are eligible in unions, to join and be active in their respective labor organizations.

That is rather an interesting suggestion.

Senator NELSON. That would indicate that one of their plans is to get control of labor organizations?

Mr. STEVENSON. That is their plan.

I might say further that the Socialist Party is carrying on a large number of meetings at the present time. For instance, in the neighborhood of New York City there are probably 100 meetings a week in various sections immediately around New York City.

Senator NELSON. Are their meetings on the street corners or in buildings?

Mr. STEVENSON. They are in halls, mostly, at this time of the year. They are in the halls which are the headquarters of the various district clubs.

Their propaganda is carried on by means of social intercourse among their members. They give dances, balls, at which their literature is distributed and at which radical speeches are made.

They have also undertaken the education of children and young people, and have organized the Young People's Socialist League, and conduct so-called Sunday schools, the purpose of which is to educate the youth in radical thinking.

I do not know whether it would be appropriate to add a list of the national committee of the Socialist Party and the list of the State secretaries or not.

Senator NELSON. I think that would be appropriate. Mr. Chairman.

Senator OVERMAN. Yes. Let that go in.

(The list is here printed in full, as follows:)

EXHIBIT BB.

International Secretary, Morris Hillquit.
 Nat'l Exec. Secretary, Adolph Germer.
 Nat. Exec. Committee: Victor L. Berger, Anna A. Haley, Morris Hillquit,
 Armour Stedman, John M. Work.

STATE SECRETARIES.

Alabama, A. L. Feunberg, 1724 Third Ave., Birmingham.
 Alaska, R. E. Hegner, Seldovia.
 Arizona, Alice Eddy, 38 So. Fourth Ave., Phoenix.
 Arkansas, Freda Hogan, Huntington.
 California, Cameron H. King, 670 Page St., San Francisco.
 Colorado, Jennie H. McGehe, 1122 33rd St., Denver.
 Connecticut, Martin P. Plunkett, 23 Wallace Bldg., Wallingford.
 Delaware, Robt. Thompson, 702 Market St., Wilmington.
 Dist. of Col., Julian I. Pierce, 811 E St. NW., Washington.
 Florida, E. H. Lavender, Highway P. O., Jacksonville.
 Georgia, Mary Raoul Millis, 229 E. 10th St., Atlanta.
 Idaho, Myrtle Mauritz, Acting State Secretary, Box 458, Nampa.
 Illinois, O. C. Wilson, 802 W. Madison St., Chicago.
 Indiana, Wm. H. Henry, Mansur Block, Indianapolis.
 Iowa, I. S. McCrillis, Park Avenue Station, Des Moines.
 Kansas, Ida Beloof, 304 Stewart St., Winfield.
 Kentucky, J. L. Stark, 715 So. 6th St., Louisville.
 Louisiana, J. R. Jones, Georgetown.
 Maine, Fred E. Irish, 57 Chestnut St., Bath.
 Maryland, Karl Hartig, 1463 Andre St., Baltimore.
 Massachusetts, James Oneal, 885 Washington St., Boston.
 Michigan, John Kerscher, 512 Dix Ave., Detroit.
 Minnesota, A. L. Sugarman, Room 1, 424 Second Ave., So. Minn.
 Mississippi, Ida N. Raymond, R. R. No. 3, Jackson.
 Missouri, W. L. Garver, Route 3, Neosho.
 Montana, Mabel Porter, 1144 Sampson Ave., Butte.
 Nebraska, Mary N. Axtell, Voigville.
 Nevada, Justus E. Taylor, P. O. Box 6, Reno.
 New Hampshire, Fred E. Irish, 57 Chestnut St., Bath, Maine.
 New Jersey, Milo C. Jones, 124 Market St., Newark.
 New Mexico, Walter B. Dillon, Box 574, Albuquerque.
 New York, U. Solomon, People's House, 7 East 15th St.
 North Carolina, Roy Swain, 2376 Sunny Side Ave., Winston-Salem.
 North Dakota, H. R. Martinson, Box 717, Minot.
 Ohio, A. Wagenknecht, 1921 Cook Ave., Lakewood.
 Oklahoma, H. M. Sinclair, Scott Thompson Bldg., Oklahoma City.
 Oregon, O. G. Johannessen, Acting State Secty., 231½ Oak St., Portland.
 Pennsylvania, Robert B. Ringler, 628 Walnut St., Reading.
 Rhode Island, John Bradbury, 391 Lonsdale Ave., Pawtucket.
 South Carolina, Wm. Eberhard, 257 King St., Charleston.
 South Dakota, R. F. Atwood, Sisseton.
 Tennessee, G. L. Braun, 897 New York St., Memphis.
 Texas, W. T. Webb, Cisco.
 Utah, C. T. Stoney, 713 First Ave., Salt Lake City.
 Vermont, David B. Smith, Websterville.
 Virginia, C. S. Rab, 76 Poplar Ave., Norfolk.
 Washington, Emil Herman, Box 491, Everett.
 West Virginia, Edwln Firth, 1513 Seventh Ave., Huntington.
 Wisconsin, Louis A. Arnold, Acting State Secretary, Brisband Hall, Milwaukee.
 Wyoming, D. A. Hastings, 2302 Bent St., Chicago.

Senator OVERMAN. Who is mentioned there from North Carolina?
 Mr. STEVENSON. Roy Swain, 2376 Sunny Side Avenue, Winston-Salem.

Senator NELSON. Who is there from Minnesota?

Mr. STEVENSON. A. L. Sugarman, 424 Second Avenue South, Minneapolis.

You will find that a very large percentage of these are German names.

Senator NELSON. My impression is that that man has been in for disloyalty and tried and convicted.

Senator OVERMAN. You have not got the post-office addresses, do you?

Mr. STEVENSON. Yes.

Senator OVERMAN. Where is Swain from—the North Carolina man?

Mr. STEVENSON. 2376 Sunny Side Avenue, Winston-Salem.

Senator WOLCOTT. Who is mentioned there from Delaware?

Mr. STEVENSON. Robert Thompson, 702 Market Street, Wilmington.

From the foregoing it will be seen that the Socialist Party of America has developed into a revolutionary organization, seeking to undermine the rights of property and to develop class consciousness among the proletariat.

There are a number of publications that are not identified with the Socialist Party as such, but are advocating everything that is advocated by the Socialist Party, or the syndicalists, the I. W. W. or the anarchists, such as the Liberator.

Senator NELSON. Can you give us a list of those?

Mr. STEVENSON. I do not think I have a complete list of them.

Senator NELSON. Give us the list of what you have. I think it would be well to have that in the record, do you not, Mr. Chairman?

Senator OVERMAN. Yes.

Senator NELSON. Just put into the record the name of each publication.

Mr. STEVENSON. There is a quarterly entitled "The Radical View," devoted to the critical investigation of scientific Socialism.

Senator OVERMAN. I think we will take an adjournment until tomorrow afternoon at half-past 2.

Maj. HUMES. May I interrupt just for two minutes, Mr. Chairman, so that we may hear Mr. Bowen and let him go? It will not take more than two minutes.

Senator OVERMAN. Yes.

TESTIMONY OF WILLIAM A. BOWEN.

(The witness was sworn by the chairman.)

Maj. HUMES. Mr. Bowen, are you acquainted with John A. Arnold?

Mr. BOWEN. Yes, sir.

Maj. HUMES. How long have you known him?

Mr. BOWEN. About 10 years.

Maj. HUMES. You are the editor of the Farmers' Fireside Bulletin?

Mr. BOWEN. Yes.

Maj. HUMES. Of Arlington, Tex.?

Mr. BOWEN. Yes.

Maj. HUMES. State if you have any knowledge of any kind of propaganda being carried on by Mr. Arnold.

Mr. BOWEN. Well, there were a good many articles submitted to me and I had some conversation with some of his folks about them and had been publishing very largely the Commercial Secretaries first work, which was statistical and industrial, when they were first started, and they began to change over onto those other matters and I quit it; and naturally some questions were asked, they wanted to know why I would not use any more of their stuff, and it led to my looking into the matter pretty considerably, because they involved the Farmers' Union folks in it and my paper had been selected by the Farmers' Union for them to publish their official matter for their membership in because of the policies that I had pursued for a long number of years with reference to farmers.

Mr. Arnold, of course, is somewhat of a sphinx. In that respect he is very much on the Ed. House style of interlocutory building.

I interviewed Mr. Radford about it. Mr. Radford has been president of the Farmers' Union, and when I began to get some of his propaganda, and this distillers' and brewers' matter, I was a sort of a red-hot fanatic on the other side, or whatever they call me, and I would not use it. I asked him about it one day, why he continued to send it, and he suggested that was not his line, that Mr. Arnold had charge of it.

When I was in Chicago in 1915 the editor of a farm paper in Iowa, Mr. Jarnagin, of the Iowa Farmer, asked me about Mr. Radford and this propaganda, and asked me if I had any data that he was getting money, or somebody was getting money, from the brewers and other big business, and exploiting it through alleged articles furnished to the farm papers.

I told him no. I had no data on that, but that I had my surmises, and had picked up a few hundred odd ideas that I had tried to put together, but that I had no absolute facts about it. He said that he did.

I then said "I would like to have that information, because I am looking for that sort of thing myself, to find out who is doing this and why."

He told me that when he got back home he would send me some pretty interesting and authentic data on that, and the facts, which he did.

Senator NELSON. What were those data?

Maj. HUMES. Have you the data that he sent to you?

Mr. BOWEN. Yes; I have a letter from him. I filed it away because it was interesting sort of stuff to me to find out how men were doing these things.

Maj. HUMES. Was there a good deal of this free plate matter sent out on the brewery and distillery propaganda?

Mr. BOWEN. Yes, sir; there was a great deal of it; a very great deal.

I kept a lot of it until the Western Newspaper Union was importunate about my keeping it, and wanted me to send it back, as I did not use it. I kept some proof sheets of it and sent it back to them, in the usual way, unused.

All the information I got from it—I could see it in a great many papers, of course. I had a list of smaller papers, several hundred of them, all over the United States, that carried it pretty regularly,

and I knew the propaganda was going on, and I was not using any of the stuff. I have this letter here from Mr. Jarnagin.

Maj. HUMES. Let me ask you this, Mr. Bowen: Was Mr. Arnold working for Mr. Radford, or was Mr. Radford working for Mr. Arnold?

Mr. BOWEN. Well, it was generally understood that Mr. Radford was working for Mr. Arnold.

That was the time when Mr. Radford—well, to be specific about it, it is the absolute fact that while the Commercial Secretaries were conducting an industrial propaganda, getting up facts, it is irrelevant for me to state that I had some idea, however, of the thing; I was secretary of the chamber of commerce of San Antonio for three years, and I did a very great deal of work in that line. I was the originator of the first railway advertising train in the world, through the late Mr. Allan Manville, president of the Santa Fe Railway system for a great many years, up to his death. I got into that industrial development, and my slogan was to tell nothing but the truth about Texas, and allow no landmen or sky-blue people to tell anything but the truth about it, and to keep everything in that out, in the train. I got Gov. Hubbard for the orator of the train.

That attracted my attention to the work that they were doing and it was really a magnificent work. The business men followed the slogan that the very Nation depended upon the producer, and that we must stand by the producer more than we had; and a group of men that were my assistants and advisers were standing by the farmers and the producers against everything and everybody. One, Sheb Williams, of my State, who is a farmer, and was chairman of the Democratic executive committee of the State—I mention that because he is a man of prominence, a man of initiative and force—my brother, R. D. Bowen, of Paris, Tex., who had considerable farming interests and been a business man in New Orleans there for twenty odd years, were intensely interested in the interests of the farmers and a group of men like that, a dozen or so, had been assisting me in carrying on this propaganda for the business men to stand by the farmer, instead of just using him as a convenience to bring stuff and levy on the proceeds.

Mr. Radford stood back of that, and had a conference with the business men of the State, and got the bankers to put up \$40,000 at 6 per cent for the farmers to finance their cotton on.

Mr. Radford, in order to carry this on, not having a fund in the Farmers' Union that would always be at hand for expenses, the business men agreed that they would pay his expense; that is, they would contribute to the Farmers' Union, or to him, \$125 a month, and he would put that into the treasury, and he drew his \$1,500 a year, which the constitution of that body allowed him to use, and they paid his expenses; and it was while this work was going on that this other propaganda began to creep in. There was a big row about it, of course. People began to catch on, and the press and interest parties, and they formed, in the Commercial Secretaries Association, the Farm Life Commission, and they made Mr. Radford chairman of that, the head of that, the farmer end of it. I always regard Mr. Radford as sincere in this work.

Then, after the brewery explosion occurred, as I call it, because it was practically the explosion of their propaganda, excepting a little echo of it, in the late gubernatorial race, when Gov. Ferguson was impeached and put out of office on account of receiving brewery money——

Senator NELSON. Who?

Senator OVERMAN. Gov. Ferguson.

Mr. BOWEN. James E. Ferguson.

This Farm Life Commission took the place of the other organizations for the farmers.

Mr. Radford was no longer president of the Farmers' Union, and Mr. Barrett, who had started a paper in Atlanta, Ga.—Chas. S. Barrett, president of the National Farmers' Union—appointed Mr. Radford one of the lecturers of the National Farmers' Union, and they changed the name of that bureau to the Farmers' Union—what was the name of it?

Maj. HUMES. Press Bureau?

Mr. BOWEN. Press Bureau. The idea was, of course, that it was to furnish news. That is at the time things began to change from the industrial development to this special business propaganda and brewery and brewery letters, and advocating antiprohibition.

I asked Mr. Radford one day about it. I had been receiving a lot, and I asked him—I said: "It is useless for you to have that stuff sent over to me, from you or from anybody else. You know that I am not going to use it." He said, "Well, by golly, I had nothing to do with that." He said that he had enough of his own to answer for, and that Mr. Arnold and the balance of them sent those things out.

So then I got this letter, and looked around to see how they got that money.

Maj. HUMES. This is the letter from the American Press Association, with reference to Mr. Arnold's activities?

Mr. BOWEN. Yes; that is the one that Mr. Jarnagin told me in Chicago he would send me.

Maj. HUMES. I will ask Capt. Lester to read that.

Capt. LESTER. The letter is as follows:

AMERICAN PRESS ASSOCIATION,
DES MOINES OFFICE,
July 1, 1915.

Mr. JARNAGIN,
Iowa Farmer, Des Moines, Iowa.

DEAR MR. JARNAGIN: Supplementing our telephone conversation on the subject of the Peter Radford matter, would say that we are by this mail sending you several copies of the American Press containing interesting matter in relation thereto.

A considerable number of Iowa papers, as we presume in other states, are publishing this matter without due consideration of its character and of the vast imposition that is being made upon the people of this country as well as the publishers.

Our president, Mr. Courtland Smith of New York, makes the following statement:

"Mr. Arnold, of Texas, the man who is the promotor of the National Farmers' Union and allied concerns, and who writes some of the matter appearing under the name of Peter Radford, visited General Office and tried to interest us in sending out the matter. We refused to have anything to do with his proposition unless the real interests back of his concern were frankly stated, and then we would have handled the matter only with the understanding that proof sheets would be sent to the publishers and their orders solicited, and plates shipped only to those publishers who desired the matter. He would not consent to such

conditions, and the matter he is now sending out shows why he could not. The order was then given to the Western Newspaper Union."

We hope that the Iowa newspapers may not only become wise to this scheme but that they will take pains to let the interests behind the scheme know their opposition. It seems that some of the publishers ought to "speak in meeting" and tell what they think.

Very truly, yours,

AMERICAN PRESS ASSOCIATION
GEORGE MARCELLUS.

Maj. HUMES. Now, Mr. Bowen, do you know of any other organization or any newspaper or newspapers in Texas that have gotten money from brewers for propaganda purposes?

Mr. BOWEN. No, sir. I have no way of knowing, excepting Mr. Barrett—this is not in the State of Texas, but it occurred there—when Mr. Barrett was reputed to have gotten the \$3,100 from Mr. Bradford, through him, and he did get \$500 out of the treasury of the farmers' union for a farmers' union paper at Atlanta, Ga. It was generally understood that the \$3,100 that Mr. Radford gave Mr. Barrett—Mr. Radford was not a man of means at all—came through Mr. Arnold.

Maj. HUMES. \$3,100?

Mr. BOWEN. Yes; I think that was the amount that we understood.

Maj. HUMES. You do not know whether that was brewery money or railroad money, or what?

Mr. BOWEN. No, sir.

Senator WOLCOTT. Did you ever talk with Mr. Arnold about the matter of brewery propaganda?

Mr. BOWEN. No, sir; not specifically. I merely told him that we were getting on a line that he knew I would not stand for. Mr. Cain, president of the Business Men's Association, who is vice president of the Texas, Gulf & Western Railway, and manager of it, a life-long friend of mine, and a strong friend of the farmer, a good man, wrote me a long letter protesting and asking me why I had changed, and so on.

Senator OVERMAN. It was generally understood that a great deal of brewery money was used there in the elections?

Mr. BOWEN. Yes. We brought that out and showed it unquestionably. Yes.

Senator OVERMAN. Do you know how much?

Mr. BOWEN. Yes—not how much, but several hundred thousand dollars was used down there in Texas. That was shown up. I know. The governor got \$156,500 at one whack.

Senator NELSON. The governor did?

Mr. BOWEN. Yes. And that is what put him out. Of course, when the exposure came I suggested to some of them if they would put Mr. Adoue on he would tell the whole truth about it; that Mr. Adoue would lie about anything; and just before he died they did put him on, and he told all about it. They let the governor have the money, and charged it off to profit and loss, and that was the end of it, to them. They were not worrying about that, except that they were worrying over the row about it. That worried them, of course.

Senator NELSON. Do you know where Mr. Arnold got his money for his activities?

Mr. BOWEN. No, sir; excepting that, of course, I naturally have an interest in finding out what I could find. The nearest I

find was that a meeting was held in New York—I got this from another party; I was not there—but a friend of mine who was there said that one of the Harvard college students who was paying his way and was a waiter was at a big supper that they had with a lot of business men there one night, and Mr. Arnold was up there and represented to them that he really controlled the Farmers Union, and——

Senator NELSON. He testified here that he was drawing a salary of \$500 a month, and he had a woman assistant that was getting \$250 a month.

Mr. BOWEN. Yes; that was Mrs. Darden, I guess. She did the writing, and was a wonderfully able and fluent writer. She did the literary millinery in dressing up the crudities of the staff.

Senator NELSON. I was a little curious to know where all the money came from.

Mr. BOWEN. He visited the business men of New York who had business interests in Texas and then branched out into business interests generally, and finance. Mr. Courtland Smith throws light on that. Shortly after Mr. Smith wrote this letter and made this protest that he refused to handle this plate matter——

Senator OVERMAN. Why did he refuse to handle this plate matter?

Mr. BOWEN. There are two concerns in the United States, or were, up to this trouble, which probably exploded it: The American Press Association furnished plate matter exclusively, but did not furnish what is called "patent insides." The Western Newspaper Union does both—furnishes plate matter, and to that extent was a rival of the American Press Association.

Courtland Smith refused to issue this plate matter or do anything with it at all unless Mr. Arnold told him who the parties were and for what purpose they were putting up this enormous amount of money, a contract involving \$100,000 or \$200,000 under one contract; and he refused to do it.

Senator NELSON. Mr. Arnold carried on his propaganda through his publicity bureau not only for the brewers and for the wets but also for other matters, did he not?

Mr. BOWEN. Yes.

Senator NELSON. For the railroads?

Mr. BOWEN. Yes. His articles involved all of those.

Senator NELSON. Did he carry on any activities that we might call pro-German?

Mr. BOWEN. No, sir; I do not think he did. The only thing that might have been pro-German would also have been pro-American—a free sea for shipping for our producers, too. That was at the time that we were not at war.

Some of those articles deal with the open-sea question, the same thing that carried us into the row with England in 1812, and up to the present date.

Senator OVERMAN. Is there anything else?

Maj. HUMES. That is all.

Senator OVERMAN. We will take an adjournment until half-past 2 o'clock to-morrow.

(Whereupon, at 5:45 o'clock p. m., the subcommittee adjourned until to-morrow, Thursday, January 23, 1919, at 2.30 o'clock p. m.)

REWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

THURSDAY, JANUARY 23, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 2.30 o'clock, in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman and Nelson.

TESTIMONY OF MR. ARCHIBALD E. STEVENSON—Resumed.

Maj. HUMES. Mr. Stevenson, will you now resume, please, where you left off last night?

Mr. STEVENSON. If I remember correctly, I was just giving an illustration of the socialist expressions from the Radical Review of July 1918.

Senator OVERMAN. Where is that magazine published?

Mr. STEVENSON. It is published in New York, Senator, by the Radical Review Publishing Association, 202 East Seventeenth Street, New York City.

Senator OVERMAN. Has it a large circulation?

Mr. STEVENSON. I do not know what the circulation of it is. It is gotten up in very good style and has no advertisements. It is circulated at all of the radical meetings. At any of the meetings you attend you will pick up a copy of this magazine.

Senator OVERMAN. Do you know who is financing all of these associations of the Bolsheviki, the Socialists, and so on?

Mr. STEVENSON. I was coming to that with regard to the Bolsheviki, Senator.

Senator OVERMAN. All right; do not let me anticipate, then. Just go ahead.

Mr. STEVENSON (reading):

True to the dictate of necessity, it flies the red flag of international socialism—

This is referring to the Socialist Party—

proclaiming the identity of the workers' interests the world over, recognizing only one enemy, the international bourgeoisie, and substituting the national particularism of an obsolete competitive capitalism with the international solidarity of socialism.

Senator OVERMAN. It seems that they have a common flag, and that is the red flag. That is the I. W. W. and the socialists; have they all a common flag?

Mr. STEVENSON. They have.

Senator OVERMAN. And that is the red flag?

Mr. STEVENSON. That is the red flag.

Senator OVERMAN. Each one of these organizations carries the flag?

Mr. STEVENSON. All of them.

And here is the epitome of the whole thing:

The red flag of the Industrial Republic is expressive of all the strong and vital forces in society making for progress and true civilization, a banner proclaiming and symbolizing the noble ideal of social fraternity and industrial equality. The ultimate triumph of the proletarian armies under the red flag, therefore, marks the dawn of the universal brotherhood of the cooperative commonwealth.

Senator OVERMAN. That shows it up pretty well.

Mr. STEVENSON. I am sorry that I did not come prepared with a complete list of various radical publications. There are quite a number. I can not state exactly how many of them there are.

Senator OVERMAN. Can you not put in a list right at this point, or just furnish to the stenographer a list of the leading ones?

Mr. STEVENSON. Well, there is the Liberator, which is the champion of the Masses——

Senator OVERMAN. You need not do it now, but hand it in later. It will be put into the record at this point.

Mr. STEVENSON. I can do that, I think, afterwards; yes.

We covered briefly yesterday the first currents of the radical movement. There is one other principal one, namely, anarchism.

Anarchism is defined in the literature which is disseminated in this country by Emma Goldman and Berkman, who are the leaders of the movement here, as the "philosophy of a new social order based on liberty unrestricted by man-made laws, the theory that all forms of government rest on violence, and are therefore wrong, harmful as well as unnecessary."

I might point out that theoretical anarchism is opposed to violence, and is a Utopian dream, but the picture of a society free of all restraints has won to the ranks of the anarchists all those who want liberty transformed into license and to indulge their passions without incurring the penalties imposed by an organized government.

Senator OVERMAN. I notice in reading from this Radical Republic, Mr. Stevenson, that what you read about the red flag here is an article signed by K. D.

Mr. STEVENSON. Yes. That is Karl Danenburg.

Senator OVERMAN. That is what he says it is, or that is what they preach?

Mr. STEVENSON. That is what they preach. The anarchist movement was imported into America in the seventies by a German anarchist named Johann Most, who established the first anarchist paper in America, called the Freiheit.

Senator OVERMAN. Was he driven out of Germany?

Mr. STEVENSON. Yes—well I am not sure whether he was driven out of Germany, but he was driven out of England. He attended while in England, to cause trouble in the army, and served 18 months in prison, and then came over here and established his paper. His agitation led up to the well-known Haymarket riots in 1886.

Senator OVERMAN. Yes. What year was that?

Mr. STEVENSON. The Haymarket riots?

Senator OVERMAN. I mean when Herr Most came here? I remember that.

Mr. STEVENSON. In the seventies. I do not know exactly.

Senator NELSON. It was between 1870 and 1880?

Mr. STEVENSON. Yes; some time.

Senator OVERMAN. I think I was at college then.

Senator NELSON. I was a Member of the House at that time, but I do not remember the date.

Senator OVERMAN. I remember all about that.

Senator NELSON. They hung some of them?

Senator OVERMAN. Yes.

Mr. STEVENSON. The Anarchist element in this country has always been a small one, but a very active and violent group.

They came into prominence again with the declaration of war by the United States and participated in the pacifist movement.

They organized the No Conscription League, with headquarters at 100 East One hundred and twenty-fifth Street, New York City, and from that league they issued the most violent propaganda opposed to conscription. I should like to submit one or two of their leaflets to the record.

A large number of anonymous leaflets were distributed, which were signed "Anarchist," and by the underground pass. Among the assistants of Emma Goldman and Berkman were M. Elinore Fitzgerald, Carl Newlander, Walter Merchant, and W. P. Bales.

I might say that the official publication of the Anarchist was Mother Earth.

Senator OVERMAN. Where was that published?

Mr. STEVENSON. In New York City.

Senator NELSON. What is the title of that—Mother Earth?

Mr. STEVENSON. Mother Earth.

Senator OVERMAN. Who is the editor of that magazine?

Mr. STEVENSON. Emma Goldman. It is still being published, although it is not coming out now in regular issues. She is confined in prison for the violation of the espionage act, I believe.

Senator OVERMAN. Was she tried under the espionage act after she was tried under the conspiracy act?

Mr. STEVENSON. Yes, sir.

The anarchists have organized a school known as the Ferrer Modern School, with headquarters at Stelton, N. J., but they have branches in most of the cities of the United States.

In connection with this school, I must call attention to the organization of a school for children now being conducted. The head of this movement is Mr. Leonard D. Abbott.

On the trial of Emma Goldman and Berkman, Mr. Abbott was called to testify as to the character of Emma Goldman and Berkman, and in the course of the examination he was asked:

Q. Does the Ferrer School teach children to disobey the laws of the country?

To which he replied:

It teaches them to criticize all laws, and to prepare themselves for a free society.

Q. When you speak of criticizing laws, do you include the laws of this government?

A. Yes.

Senator OVERMAN. What is the extent of those schools?

Mr. STEVENSON. They are carrying on these schools in a great many centers.

Senator OVERMAN. Are they night schools?

Mr. STEVENSON. No; that particular school is a colony, to which these children go.

Senator OVERMAN. I understand they have other schools?

Mr. STEVENSON. They have courses of lectures.

One New York branch of the Ferrer School has its headquarters at Pythian Hall, 1914 Madison Avenue, New York City.

Senator NELSON. I suppose they have night schools for adults?

Mr. STEVENSON. Yes; the school is a regular school for teaching anarchy to children as well as adults.

Senator NELSON. I mean, they have night schools for adults—that line?

Mr. STEVENSON. I am not sure whether the Ferrer School has. I am sorry to say that I can not enlighten you on that point, but I can give a series of lectures.

It might be of interest to give you a few of the titles:

On November 17, 1918. Elizabeth Gurley Flynn lectures on "Economic reconstruction." She is an I. W. W., as well as a sympathizer of the "Anarchist."

On Sunday, November 24, "The spirit of the mob, a factor in revolution," by J. Edward Morgan.

December 1, "The anarchist's relation to the law," by Lola Ridge, and similar lectures are carried on in New York.

Senator OVERMAN. Are any of these people educated people?

Mr. STEVENSON. One of the lecturers here is Hutchins Hapgood, who is a brother of Norman Hapgood.

Senator NELSON. He is one of their lecturers?

Mr. STEVENSON. Yes.

The interesting feature of the anarchist movement is that it was originally associated with Karl Marx in the First International, which was the International Working Men's Association, which was the first attempt to gather the radicals of all countries into one organization which would direct the movement in foreign nations and which would attempt to bring about the results sought.

The anarchists were admitted to that movement. As time went on, however, the socialists rather got away from the radical theories of the German official socialism, and finally the anarchists were expelled, in 1872.

An interesting feature of the International, however, at the present time, is that when the war broke out in 1914 the International Working Men's Association broke up, because a number of the socialist groups in their respective countries supported their governments; notably the German socialists; and, for a time, it appeared that the socialist movement had received its death blow. But the length of the war, the extraordinary sacrifices of the peoples, and the economic burdens that have been imposed, have revived socialist movements, and consequently we find the Bolsheviki of Russia setting for themselves the task of reconstructing the International.

The Bolsheviki are simply the modern manifestation of old German socialism, to which has been added some of the principles and tactics of syndicalism.

Senator OVERMAN. And they carry the red flag?

Mr. STEVENSON. And they carry the red flag.

The interest of Russia to the United States is the fact that they have determined to revive the International, and that means that they are sending their missionaries into all parts of the world.

It was through their influence that the German Spartacus group, headed by Liebknecht and Rosa Luxemburg, got their start.

Their activities in Argentine have been prominent in the daily papers.

It is particularly interesting to note, also, that a very large area

Mexico is now in control of the Bolsheviki—a matter which, I think, has not been generally known—and that the propaganda of the Industrial Union of North and South America, which it is called, is being circulated in New York City and in other cities of the United States, printed in Russian for the benefit of the Russian immigrants and Russian Jewish immigrants to this country.

I have a translation of this. It is written by John Sennzott. It sounds rather German to me, but I do not know anything about him.

Senator OVERMAN. Yes; it sounds German rather than Russian.

Mr. STEVENSON. Yes.

Maj. HUMES. What parts of Mexico do you refer to, Mr. Stevenson?

Mr. STEVENSON. Yucatan and the adjoining States.

Just to illustrate what they are telling these people in this country, quote:

When a man wants a house, he goes to the Building Committee. Possibly he is told there is an empty house at such and such a place. If he does not like it, he is registered, and when his turn comes, he is built a house according to his wishes.

In other words, they do not use any money, and everything is done on a cooperative basis.

Senator NELSON. By the government?

Mr. STEVENSON. By the Soviet government.

Senator NELSON. Yes.

Mr. STEVENSON. The interesting feature of the Bolsheviki movement is that every one of these currents that we have spoken of is now cooperating with the Bolsheviki emissaries. We have several avowed agents of the Bolsheviki government here—avowed propagandists.

Senator NELSON. In this country; operating here?

Mr. STEVENSON. In this country; operating to-day.

Senator NELSON. Can you give us the names of them?

Mr. STEVENSON. Yes. Two of them are American citizens. One John Reed, a graduate of Harvard University.

Senator NELSON. You don't say?

Mr. STEVENSON. And, by the way, he is a descendant of Patrick Henry. He is now under indictment, but has not yet been tried, for violation of the espionage act.

I will read from some of his speeches to give you an illustration of the type of propaganda which he is spreading.

Senator OVERMAN. Are these people financed by the Russian Bolsheviki?

Mr. STEVENSON. I might say that we have found money coming into this country from Russia. Money has come into this country

to the head of the Finnish country, Sanitori Nourati money has come in from o now being investigated, and of the people or the matter

Senator OVERMAN. You Reed, who is the other?

Mr. STEVENSON. One is Williams.

Senator OVERMAN. Where

Mr. STEVENSON. He is from where he came from; he is newspaper man. I believe we entered the war. I offer published by The Rand S Williams, entitled "The B exposition of the splendid form of government.

The Russian Bolsheviki literature, of which an example from the Socialist Soviet published by The Socialist Brooklyn, N. Y., in December working men to straighten and to join the ranks of the of Social Science has published by Nikolai Lenin, entitled extremely interesting document

A large number of documents Finnish, and the various other groups of our foreign immigrants this, we find that the Social courage and support this movement

Senator OVERMAN. Would such papers and pamphlets

Mr. STEVENSON. It would place, the means of the (books, pamphlets, etc., are are scattered all over the United

Senator OVERMAN. Is an South?

Mr. STEVENSON. Why, no to our attention. I might call published in Boston and I which has an interesting article ism fast tottering to fall—their crowns as soon as the contracted by the American people's hour has arrived."

Senator OVERMAN. Where

Mr. STEVENSON. That is sorry that I can not call you in these various papers.

Senator NELSON. Have you got any Finnish paper there?

Mr. STEVENSON. I have. Here is a Finnish paper [exhibiting].

Senator NELSON. Where is it published?

Mr. STEVENSON. Published in Astoria, Oreg. It is a very prosperous-looking paper, published in three sections, and the name is Toveri. It has in English in the upper right-hand corner "The circulation of the Toveri is greater than the combined circulation of all other newspapers printed in Astoria." It is a very substantial sheet.

Senator OVERMAN. Is it printed in English?

Mr. STEVENSON. No; that is Finnish. I submit now copies of various Socialistic newspapers from various parts of the country. You might be interested to look some of those over. Now, here is a paper in English, entitled International Weekly, with a subheading "Organ of the social revolution." That is published in Seattle, Wash. Another one is entitled "Seattle Daily Call. To carry truth to the people."

Senator OVERMAN. Is that in English?

Mr. STEVENSON. Yes; that is in English. I am only bringing these to your attention as scattered illustrations of the type of publications printed.

Senator NELSON. Can you give us any information about the activities of these extreme radicals in this country; where they have operated, and what they have done, or undertaken to do?

Mr. STEVENSON. Up to the present time, so far as actual proof is concerned, their activities are largely propaganda, the holding of large numbers of meetings, and the distribution of radical literature.

Senator OVERMAN. Pamphlets and newspapers?

Mr. STEVENSON. Pamphlets, newspapers, books, and hand bills. For instance, one of the methods was to print a leaflet calculated to disturb the mind of the reader, which was put into the mail boxes of a very large number of tenement houses—stuffed in the various mail boxes—entitled "Why you should be a socialist," by Theresa S. Malloch, who, by the way, was a member of several of the pacifist societies at we spoke of yesterday.

Immediately after the signing of the armistice there was a tremendous outcropping of this propaganda. The number of meetings multiplied, and one of the first meetings of interest was held on November 15, 1918, by the Yorkville agitation committee (Yorkville being a part of New York City). Comrade Patrick Quinlan, who is known for his connection with the I. W. W., and who has served a sentence for his activities with the I. W. W. in Paterson, N. J., made a speech that night, in which he said:

"Do not allow the capitalists to keep the Army in Europe for the purpose of shooting down your fellow laboring men in Germany and Russia. Do not trust Lloyd George any more than you trust the Professor. The red flag is flying over nearly all of Europe; it will soon fly in France, and spread across the English Channel, and eventually will fly over this city and the White House. The Republic of Labor of the World is proclaimed."

At a meeting held on January 10, 1919, at the Labor Lyceum, 949 Milloughby Avenue, Brooklyn, N. Y., Mr. John Reed, who is the——

Senator OVERMAN. The Harvard graduate?

Mr. STEVENSON. Yes; the Harvard graduate, and who is in this country as the consul general of the Soviet Republic, stated, among other things——

Senator OVERMAN. That is not recognized, though?

Mr. STEVENSON. No; not recognized. He says:

My family came to this country, both branches, in 1607; one of my ancestors was Patrick Henry, who signed the Declaration of Independence; another ancestor was a general under George Washington; and another a colonel on the northern side in the Civil War. I have a brother, a major in the Army Corps, now in France, and I am a voter and a citizen of the United States. I claim the right to criticise the government as much as I please. I criticise the form of it because I claim that it is not a democratic enough government. I want a more democratic government. I consider the Soviet government in Russia a more democratic government at the present time than our government.

He goes on in a very long speech, the tenor of which is to justify the position and the activities of the Soviet government, and to be pressing the highest praise for it. He goes on further to say:

Now, this war, which is supposed to have been finished up now, was supposed to be a conflict between two ideas—democracy and autocracy. Now the war is finished, comrades, and where in Hell is the democracy? Now, in New York City free speech is suppressed; Socialists are not allowed to meet; the red flag is banned; periodicals are barred from the mails, and all the evils of Prussianism appear.

I might point out another dangerous feature of this thing.

Maj. HUMES. I would suggest that the whole speech be put into the record. I have glanced over it myself. It has only been referred to, but I believe it is an interesting outline of the whole plan of the activities.

Senator OVERMAN. Let it go in.

Mr. STEVENSON. The thing that I was going to mention is that a lot of educated people, particularly a number of educated and cultured women, who have taken an interest in what is known as "general ideas," have, as a form of entertainment, the inviting of J. Reed and others to come and address them on afternoons.

Senator OVERMAN. That is the man who made this speech?

Mr. STEVENSON. Yes.

(The speech referred to is here printed in the record, as follows.)

Comrades and friends: I am just told that there is an order from the United States Government that we are not to criticise at this meeting the United States Government or its Allies. Now I was arrested and indicted some two months ago for criticising the intervention of the Allies in Russia. Since that time not socialist but bourgeois papers, the Nation, the Dial, the Public, and the New Republic, the Evening Post, Jane Addams, Senator Hiram Johnson, Senator Burton, and other members of Congress have said a damned sight worse things than I have, and nobody dared either arrest or indict them. I am obliged to you from that that these persecutions are directed against socialism. It is evidently has not come to the attention of the gentleman who gave that order from the police that according to my information the Attorney General of the United States has ruled that criticism of the allies does not come under the Espionage Act, for the simple reason that we have no treaties of alliance with any European power at the present moment, and the foreign nations, we may criticise them all we please.

Now, I am an American, and my family has been here a good deal longer than the families of any police. My family came to this country, both branches, in 1607. One of my ancestors was Patrick Henry, who signed the Declaration of Independence. Another of my ancestors was a General under George Washington, and another a Colonel on the Northern side in the Civil War. I

France, and I am a voter and a citizen of the United States, and I claim the right to criticise the government as much as I please.

I criticise the form of it. I criticise the form of it because I claim that it is not a democratic enough government for me. I want a more democratic government. I consider the Soviet Government of Russia a more democratic government at the present time than our own government, and Col. William Boyce Thompson, who is a millionaire, said the same thing three months ago, and nobody dared touch him. Now I charge agencies of our government with keeping from the people of the United States the truth about Russia, and Senator Hiram Johnson said the same thing the other day in Congress. We have also agencies of our government which have not only kept the truth from our people, but they have given out information about Russia which is not true, and I refer here to the Sisson documents particularly, proving that Lenin and Trotzky received German gold, and I tell the people in this hall assembled, and the people of the United States, and the Senate of the United States, that proof will be offered in Congress within ten days, and it is there now, that proof will be offered that the Sisson documents are largely forgeries. I claim that the statement of our government, which was given by Chairman Hitchcock to the United States Senate, to the effect that our troops were welcomed by the people at Archangel and Vladivostok is false, and the agents of our government know that it is false. We were not welcome in either Archangel or Vladivostok and I don't mean only our own troops but all the Allies, and I say here that the Allied troops, British, French, and Japanese, when they landed at Vladivostok they shot in the streets hundreds of Soviet troops, blew down buildings, put the Soviet government in jail; that when it was over a funeral procession of the working people, 20,000 strong, went through the streets carrying the coffins containing their dead, which they laid down in front of the British Consulate, from which machine guns had played on the people. They made speeches saying they would never forget their dead, and there, surrounded by machine guns and artillery, they were about to leave.

There were American cruisers in the harbor. It was the 4th of July, and the American cruisers flew the American flag. One of the speakers said to the people: "See; to-day America celebrates the anniversary of her independence. Let us go and appeal to America so that the Americans on this, their day of independence, will recognize that we are struggling for freedom." And they carried those coffins up the hill and laid them down on the sidewalk in front of the American Consulate, and asked that we say a word for them. And five days later the United States Marines landed and three weeks later they were shooting down Russians without a Declaration of War.

I want to point out another thing, and charge, as Johnson has charged in the Senate of the United States—as Senator Hiram Johnson has charged in the Senate of the United States—and the Dial, the Nation, the Public, the New Republic, and the Evening Post have charged the same thing, that our government in sending troops to Russia without a declaration of war has violated the Constitution of the United States and has committed an illegal act, and I charge that same thing here tonight.

Now I want to point out to you what is being done in the Baltic provinces by the Allies, particularly by the English. The English have taken under their protection the so-called governments of the Baltic provinces. Those governments which were set up by who? By the people of the Baltic Provinces? No. By the officials of Kaiser Wilhelm; and those are the governments that the British government is taking under its protection.

I also want to call your attention to the despatches which have been coming through and which have not been denied, that the British authorities have told the Germans to resist the onward march of the Bolsheviks, the Lettish, the Estonian, and the Lithuanian people who are trying to win back their own country from the tyranny of German barons who have terrorized the Baltic provinces for centuries. There is a very important thing for you to remember, and that is that what the Allies are doing at the present time in the Baltic provinces—and I don't say our own government, because our government has nothing to do with this—but what the Germans, the English, and the French are doing is carrying out the provisions of the Treaty of Brest-Litovsk which the Germans imposed upon the Russian Baltic provinces—a treaty at which the whole allied world, including us here in America, threw up its hands in horror, such were the conditions imposed upon the Baltic provinces. And now the Allies, without any further delay at all, are imposing these same conditions, or

trying to impose them, upon the Baltic provinces, and the only reason they not do so is that there is an international red army of Estonians, Lithuanians, and Russians, who are resisting them to the last.

Now this war, which is supposed to have been finished by now, was supposed to be a conflict between two ideals, democracy and autocracy. Now war is finished, comrades, and where in hell is the democracy? Now New York City free speech is suppressed, Socialists are not allowed to carry a red flag is banned, periodicals are barred from the mails, and all the evils of Prussianism appear. I want to ask you, if you know anything about Germany, if you had ever been to a meeting in Germany, a political meeting. Absolutely the same phenomenon is here. The Chief of Police comes to a meeting and you can't talk about so-and-so, and 100 cops in the hall! Is that so?

Now the war is ended, but a new war is begun, and this time it is between two ideas for the first time in history. Those two ideas are: There are two parties. On one side is private property and nationalism; the other side is property for the people and internationalism. Now the era of civilization, comrades, under which we live, is bankrupt at the present. It hasn't got a leg to stand on. It doesn't dare to permit democracy because if it did it would be voted out of existence. It rests, of course upon force, which do not mean what they say, and upon force.

Now in this connection I want to call your attention to a statement by Nikolai Lenin's, which he spoke in the third congress of Soviets at the disposal of the Constituent Assembly, when the other members were accusing the Bolsheviks of using force. Lenin stood on the platform and said, "We are accused of using force. We admit it. All government is merely organized force in the hands of one class against another; but now, for the first time in history, this organized force is being used by the working class against the capitalist class."

On the night of second Congress of Soviets in Petrograd, when the Bolshevik insurrection broke out and the Provisional Government fell. The Bolsheviks were in session in a great hall like this one, the Smolny Institute. Through the windows came the sound of cannon fire, and as the evening came and the success of the Bolshevik insurrection became apparent, all the other political parties in that convention began to walk out. One after another the leaders walked out and their delegates followed the leaders. And those who noticed that among the Bolshevik delegates who were in the majority, there were a number of delegates who seemed uneasy and wanted to see all the other parties leaving, went to the front platform and said, "The compromisers go; they are just so much garbage which will be swept into the rubbish-heap of history."

But what I want to tell you most of all is this, that when those compromiser parties walked out of the Congress of the Soviets and left the balance to the Bolsheviks, greatly reduced, here and there a man would stand up. One said, "I am for the Estonian Social Democracy; I demand a place on that platform." Another said, "I am from the Lettish Social Democracy; I demand a place on that platform." A third said, "I am from the Lithuanian Social Democracy; I demand a place on that platform." And so it finally came to pass that representatives of the working class from all over Russia came and joined hands with the Bolsheviks and that was the beginning of the Russian International, which was the beginning of the third international of the world's workers.

I was in the Lettish country just after the fall of Riga. I was at the front and saw the Lettish soldiers, who alone of all the 12th Army stood against the Germans, and stood against the Germans until they were cut down, were reduced from 3000 to 18, and the reason they stood against the Germans was not because they didn't like the Germans, but because they were revolutionaries, and they saw immediately that the Germans were the representatives of a militarist imperialism advancing on Russia. The reason I know that was why they stood against the Germans is that when the Allies landed at Archangel and Vladivostok, the Corps of the two revolutionary armies sent against the Allies was composed of Lettish soldiers, which race had already sacrificed their lives so bravely.

On the 10th of November the Bolsheviks controlled the City of Petrograd. Their headquarters was in Smolny Institute, and they were organizing the defence of the City against Kerensky from the South. They were cut off from the South. They were cut off from the country. The reactionary central committee, the telephone workers, and the rail workers, and the Bolsheviks in the Smolny In-

with the rest of Russia and the world. They didn't know how the army would do. Of course they knew the condition of mind of the army. They knew they had the masses of Russian people with them, but didn't know how the thing was actually working out, and couldn't get any information.

In the Duma—on the Nevsky Prospect the Duma was forming what they called Committee for the Salvation of Country and Revolution. It was composed of the anti-Bolshevik forces and included the compromising socialist party. This Committee for Salvation was in communication with Kerensky and with the rest of Russia and was trying to rouse it against the Bolsheviks. I was in the Duma that afternoon. I left the Smolny about noon. There one man was doing the work of ten, and people were falling down from fatigue, sleeping three or four hours, getting up again and working, and everyone was gloomy and depressed. When I got to the Duma everybody was feeling fine; they thought the Bolsheviks would only last about three hours. We sat there for a while and suddenly I looked out the window down the Nevsky Prospect, and saw coming up a double file of soldiers on bicycles, and I said to myself, "Here is the army, the loyal regiments coming in to crush the Bolsheviks," and I went down. All the town had come out. The soldiers stopped and lined up for a moment's rest in front of the Duma, and after a while people began to ask questions, "What are you?" "Oh, we are the Lettish sharp-shooters." "Where do you come from?" "We come from the front." "What are you going to do here, capture the Smolny Institute and kick out the Bolsheviks?" One Lett said, "Hell, no, we are here to support the Soviet; you go back to the Duma if you want to."

Mr. STEVENSON. An extremely interesting bit of propaganda, and one which has been used by all of the Bolshevik newspapers, is a letter addressed to President Wilson from the Russian Soviet Government, and signed by the "People's Commissary of Foreign Affairs, Tchichtherin," which was delivered through the Norwegian Embassy to President Wilson October 24, 1918.

Senator NELSON. Is it a long letter?

Mr. STEVENSON. It is a very long thing, but it is a matter of great interest. It is an extremely well-written document, and extremely insidious, and for that reason it has been used by the Bolsheviks in this country. It was designed, when sent, to be used as propaganda, and it is interesting that the first English publication of it was in the Nation, which is owned and edited by Oswald Garrison Villard. It was not given out by the Government of the United States. I do not know whether you would like to have that go into the record or not.

Maj. HUMES. It is a matter which I think should go into the record. It gives their view of our form of government, and outlines what they concede to be their plan of government.

Senator OVERMAN. Contrasting theirs with ours?

Maj. HUMES. Yes, sir.

Senator OVERMAN. Put it in the record.

(The letter referred to is printed in the record as follows:)

To the President of the United States of North America, Mr. Woodrow Wilson.

Mr. PRESIDENT: In your message of January 8th to the Congress of the United States of North America, in the sixth point, you spoke of your profound sympathy for Russia, which was then conducting, single handed, negotiations with the mighty German imperialism. Your program, you declared demands the evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her unhampered and unembarrassed opportunity for the independent determination of her political development and national policy, and assure her a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance of every kind that she may need and may herself desire. And you added that

"the treatment accorded to her by her sister nations in the months to come will be the acid test of their good-will, of their comprehension of her needs as distinguished from their own interests, of their intelligent and unselfish sympathy."

The desperate struggle which we were waging at Brest-Litovsk against German imperialism apparently only intensified your sympathy for Soviet Russia for you sent greetings to the Congress of the Soviets, which under the threat of a German offensive ratified the Brest peace of violence—greetings and assurances that Soviet Russia might count upon American help.

Six months have passed since then, and the Russian people have had sufficient time to get actual tests of your Government's and your Allies' comprehension of their comprehension of the needs of the Russian people, of their intelligent and unselfish sympathy. This attitude of your Government and of your Allies is shown first of all in the conspiracy which was organized on Russian territory with the financial assistance of your French Allies and with the diplomatic co-operation of your Government as well—the conspiracy of the Czechs and Slovaks to whom your Government is furnishing every kind of assistance.

For some time attempts had been made to create a pretext for a war between Russia and the United States of North America by spreading false stories to the effect that German war prisoners had seized the Siberian railway. Your own officers and after them Colonel Robbins, the head of your Red Cross Mission, had been convinced that these allegations were absolutely false. The Czecho-Slovak conspiracy was organized under the slogan that unless the misled unfortunate people be protected, they would be surrendered to Germany and Austria; but you may find out, among other sources, from the letter of Captain Sadoul, of the French Military Mission, how unfounded the charge is. The Czecho-Slovaks would have left Russia in the beginning of the year, had the French Government provided ships for them. For several months we have waited in vain that your Allies should provide the opportunity for the Czecho-Slovaks to leave. Evidently these Governments have very much preferred the presence of the Czecho-Slovaks in Russia—the results show what object—to their departure for France and their participation in the fighting on the French frontier. The best proof of the real object of the Czecho-Slovak rebellion is the fact that although in control of the Siberian railway, the Czecho-Slovaks have not taken advantage of this to leave Russia but by the order of the Entente Governments, whose directions they follow, have remained in Russia to become the mainstay of the Russian counter-revolution. Their counter-revolutionary mutiny which made impossible the transportation of grain and petroleum on the Volga, which cut off the Russian workers and peasants from the Siberian stores of grain and other materials and condemned them to starvation—this was the first experience of the workers and peasants of Russia with your Government and with your Allies after your promises of the beginning of the year. And then came another experience: an attack on North Russia by Allied troops, including American troops, their invasion of Russian territory without any cause and without a declaration of war, the occupation of Russian cities and villages, execution of Soviet officials and other acts of violence against the peaceful population of Russia.

You have promised, Mr. President, to co-operate with Russia in order to obtain for her an unhampered and unembarrassed opportunity for the independent determination of her political development and her national progress. Actually this co-operation took the form of an attempt of the Czecho-Slovak troops and later, in Archangel, Murmansk and the Far East, of your own and your Allies' troops, to force the Russian people to submit to the rule of the oppressing and exploiting classes, whose dominion was overthrown by the workers and peasants of Russia in October, 1917. The revival of the Russian counter-revolution which has already become a corpse, attempts to restore its force its bloody domination over the Russian people—such was the experience of the Russian people, instead of co-operation for the unembarrassed expression of their will which you promised them, Mr. President, in your declarations.

You have also, Mr. President, promised to the Russian people to assist them in their struggle for independence. Actually this is what has occurred: while the Russian people were fighting on the Southern front against the counter-revolution, which has betrayed them to German imperialism and was threatening their independence, while they were using all their energy to organize the defense of their territory against Germany at their Western frontiers, the

were forced to move their troops to the East to oppose the Czecho Slovaks who were bringing them slavery and oppression, and to the North—against your allies and your own troops which had invaded their territory, and against the counter-revolutions organized by these troops.

Mr. President, the acid test of the relations between the United States and Russia gave quite different results from those that might have been expected from your message to the Congress. But we have reason not to be altogether dissatisfied with even these results, since the outrages of the counter-revolution in the East and North have shown the workers and peasants of Russia the aims of the Russian counter-revolution, and of its foreign supporters, thereby creating among the Russian people an iron will to defend their liberty and the conquests of the revolution to defend the land that it has given to the peasants and the factories that it has given to the workers. The fall of Kazan, Ymbyrsk, Syzran, and Samara should make it clear to you, Mr. President, what were the consequence for us of the actions which followed your promises of January 8th. Our trials helped to create a strongly united and disciplined Red Army, which is daily growing stronger and more powerful and which is learning to defend the revolution. The attitude toward us, which was actually displayed by your Government and by your Allies could not destroy us; on the contrary, we are now stronger than we were a few months ago, and your present proposal of international negotiations for a general peace finds us alive and strong and in a position to give in the name of Russia our consent to join the negotiations. In your note to Germany you demand the evacuation of occupied territories as a condition which must precede the armistice during which peace negotiations shall begin. We are ready, Mr. President, to conclude an armistice on these conditions, and we ask you to notify us when you, Mr. President, and your Allies intend to remove troops from Murmansk, Archangel and Siberia. You refuse to conclude an armistice, unless Germany will stop the outrages, pillaging, etc., during the evacuation of occupied territories. We allow ourselves therefore to draw the conclusion that you and your allies will order the Czecho-Slovaks to return the part of our gold reserve fund which they seized in Kazan, that you will forbid them to continue as heretofore their acts of pillaging and outrage against the workers and peasants during their forced departure (for we will encourage their speedy departure, without waiting for your order).

With regard to other peace terms, namely, that the Governments which would conclude peace must express the will of their people, you are aware that our Government fully satisfies this condition, our Government expresses the will of the Councils of Workmen's, Peasants' and Red Army Deputies, representing at least eighty per cent of the Russian people. This cannot, Mr. President, be said about your Government. But for the sake of humanity and peace we do not demand as a prerequisite of general peace negotiations that all nations participating in the negotiations shall be represented by Councils of People's Commissaries elected at a Congress of Councils of Workmen's, Peasants' and Soldiers' Deputies. We know that this form of Government will soon be the general form, and that precisely a general peace, when nations will no more be threatened with defeat, will leave them free to put an end to the system and the clique that forced upon mankind this universal slaughter, and which will, in spite of themselves, surely lead the tortured peoples to create Soviet Governments, which give exact expression to their will.

Agreeing to participate at present in negotiations with even such Governments as do not yet express the will of the people, we would like on our part to find out from you, Mr. President, in detail what is your conception of the League of Nations, which you propose as the crowning work of peace. You demand the independence of Poland, Serbia, Belgium and freedom for the peoples of Austria-Hungary. You probably mean by this that the masses of the people must everywhere first become the masters of their own fate in order to unite afterwards in a league of free nations. But strangely enough, we do not find among your demands the liberation of Ireland, Egypt, or India, nor even the liberation of the Philippines, and we would be very sorry to learn that these people should be denied the opportunity to participate together with us, through their freely elected representatives, in the organization of the League of Nations.

We would also, Mr. President, very much like to know, before the negotiations with regard to the formation of a League of Nations have begun, what is your conception of the solution of many economic questions which are essential for the cause of future peace. You do not mention the war expenditures—

this unbearable burden, which the masses would have to carry, unless the League of Nations should renounce payments on the loans to the capitalists of all countries. You know as well as we, Mr. President, that this war is the outcome of the policies of all capitalistic nations, that the governments of all countries were continually piling up armaments, that the ruling groups of all countries pursued a policy of annexations, and that it would, therefore, be extremely unjust if the masses, having paid for these policies with millions of lives and with economic ruin, should yet pay to those who are really responsible for the war a tribute for their policies which resulted in all these countries' miseries.

We propose therefore, Mr. President, the annulment of the war loans as the basis of the League of Nations. As to the restoration of the countries which were laid waste by the war, we believe it is only just that all nations should aid for this purpose, the unfortunate Belgium, Poland, and Servia, and how poor and ruined Russia seems to be, she is ready on her part to do everything she can to help these victims of the war, and she expects that American capitalism which has not at all suffered from this war and has even made many billions of profits out of it, will do its part to help these peoples.

But the League of Nations should not only liquidate the present war, but make impossible any wars in the future. You must be aware, Mr. President, that the capitalists of your country are planning to apply in the future the same policies of encroachment and of super profits in China and in Siberia, and fearing competition from Japanese capitalists, they are preparing a military force to overcome the resistance which they may meet from Japan. You are doubt aware of similar plans of the capitalists ruling circles of other countries with regard to other territories and other peoples. Knowing this, you will have to agree with us that the factories, mines and banks must not be left in the hands of private persons, who have always made use of the vast means of production created by the masses of the people to export products and capital to foreign countries in order to reap super profits in return for the benefits forced on them, their struggle for spoils resulting in imperialistic wars. We propose therefore, Mr. President, that the League of Nations be based on the expropriation of the capitalists of all countries. In your country, Mr. President, the banks and the industries are in the hands of such a small group of capitalists that, as your personal friend, Colonel Robbins, assured us, the arrest of twenty heads of capitalistic cliques and the transfer of the control, which is characteristic capitalistic methods they have come to possess, into the hands of the masses of the people is all that would be required to destroy the principal source of new wars.

If you will agree to this, Mr. President—if the source of future wars thus be destroyed, then there can be no doubt that it would be easy to remove all economic barriers and that all peoples, controlling their means of production, will be vitally interested in exchanging the things they do not need for the things they need. It will then be a question of an exchange of products between nations, each of which produces what it can best produce, and the League of Nations will be a league of mutual aid of the toiling masses. It will then be easy to reduce the armed forces to the limit necessary for the maintenance of internal safety.

We know very well that the selfish capitalist class will attempt to create this internal menace, just as the Russian landlords and capitalists are attempting with the aid of American, English, and French armed forces to take the factories from the workers and the land from the peasants. But the American workers, inspired by your idea of a League of Nations, will crush the resistance of the American capitalists as we have crushed the resistance of the Russian capitalists, then neither the German nor any other capitalist will be a serious menace to the victorious working class, and it will then suffice, if every member of the commonwealth, working six hours in the factory, spends two hours daily for several months in learning the use of arms, so that the whole people will know how to overcome the internal menace.

And so, Mr. President, though we have had experience with your proposals we nevertheless accept as a basis your proposals about peace and about the League of Nations. We have tried to develop them in order to avoid proposals which would contradict your promises, as was the case with your promise of assistance to Russia. We have tried to formulate with precision your proposals on the League of Nations in order that the League of Nations should not turn out to be a league of capitalists against the nations. Should you agree with us, we have no objection to an "open discussion of your proposals."

rms," as your first point of your peace program demands. If you will accept our proposals as a basis, we will easily agree on the details.

But there is another possibility. We have had dealings with the President of the Archangel attack and the Siberian invasion and we have also had dealings with the President of the League of Nations Peace Program. Is not the worst of these—the real President actually directing the policies of the American capitalist government? Is not the American Government rather a Government of the American corporations, of the American industrial, commercial and railroad trusts, of the American banks—in short, a Government of the American capitalists? And is it not possible that the proposals of this Government about the creation of a League of Nations will result in new chains for the peoples, the organization of an International trust for the exploitation of the workers and the suppression of weak nations? In this latter case, Mr. President, you will not be in a position to reply to our questions, and we will say to the workers of all countries: Beware! Millions of your brothers, thrown at each others throats by the bourgeoisie of all countries are still perishing on the battlefields, and the capitalists leaders are already trying to come to an understanding for the purpose of suppressing with united forces those that remain alive, when they call to account the criminals who caused the war!

However, Mr. President, since we do not at all desire to wage war against the United States, even though your Government has not yet been replaced by a Council of People's Commissaries and your post is not yet taken by Eugene Debs, whom you have imprisoned; since we do not at all desire to wage war against England, even though the cabinet of Mr. Lloyd-George has not yet been replaced by a Council of People's Commissaries with MacLean at its head; since we have no desire to wage war against France, even though the capitalist Government of Clemenceau has not yet been replaced by a workmen's government of Merhelm, just as we have concluded peace with the imperialist government of Germany, with Emperor Wilhelm at its head, whom you, Mr. President, hold in no greater esteem than we, the Workmen's and Peasant's Revolutionary Government hold you, we finally propose to you, Mr. President, that you take up with your Allies the following questions and give us precise and business-like replies: Do the governments of the United States, England and France intend to cease demanding the blood of the Russian people and lives of Russian citizens, if the Russian people will agree to pay them a ransom, such as a man who has been suddenly attacked pays to the one who attacked him? If so, just what tribute do the governments of the United States, England and France demand of the Russian people? Do they demand concessions, that the railways, mines, gold deposits, etc., shall be handed over to them on certain conditions, or do they demand territorial concessions, some part of Siberia or Caucasia, or perhaps the Murmansk coast?

We expect from you, Mr. President, that you will definitely state what you and your Allies demand, and also whether the allowance between your government and the governments of the other entente powers is in the nature of a combination which could be compared with a corporation for drawing dividends from Russia, or does your government and the other governments of the entente powers have each separate and special demands, and what are they? Particularly are we interested to know the demands of your French Allies with regard to the three billions of rubles which the Paris bankers loaned to the Government of the Czar—the oppressor of Russia and the enemy of his own people? And you, Mr. President, as well as your French Allies surely know that even if you and your allies should succeed in enslaving and covering with blood the whole territory of Russia—which will not be allowed by our heroic revolutionary Red Army—that even in that case the Russian people, worn out by the war and not having sufficient time to take advantage of the benefits of the Soviet rule to elevate their national economy, will be unable to pay to the French bankers the full tribute for the billions that were used by the Government of the Czar for purposes injurious to the people. Do your French allies demand that a part of this tribute be paid in installments, and if so, what part, and do they anticipate that their claims will result in similar claims by other creditors of the infamous Government of the Czar which has been overthrown by the Russian people? We can hardly think that your Government and your allies are without a ready answer, when your and their troops are trying to advance on our territory with the evident object of seizing and enslaving our country.

The Russian people through the People's Red Army, are guarding their territory and are bravely fighting against your invasion and against the attack

of your Allies. But your Government and the Governments of the other powers of the Entente undoubtedly have well prepared plans, for the sake of which are shedding the blood of your soldiers. We expect that you will state your demands very clearly and definitely. Should we, however, be disappointed should you fail to reply to our quite definite and precise questions, we will draw the only possible conclusion—that we are justified in the assumption that your Government and the Governments of your Allies desire to get from the Russian people a tribute both in money and in natural resources of Russia and territorial concessions as well. We will tell this to the Russian people as well as to the toiling masses of other countries, and the absence of a reply from you will serve for us as a silent reply. The Russian people will understand that the demands of your Government and of the Governments of your Allies are so severe and vast that you do not even want to communicate them to the Russian Government.

PEOPLE'S COMMISSARY OF FOREIGN AFFAIRS
TCHICHERIN.

Mr. STEVENSON. The principal publications of the Bolsheviki in New York City are the *Novy Mir*—

Senator NELSON. In what language is that?

Mr. STEVENSON. Russian. The *Workman and Peasant*.

Senator OVERMAN. What does "*Novy Mir*" mean?

Mr. STEVENSON. The *New Era* or *New Life*. These are the accredited official organs in this country of the Bolsheviki government.

The Bolsheviki have organized in this country soviets. Each industrial center in the United States now has its soviet.

Senator NELSON. Is that so?

Mr. STEVENSON. And, of course, the plan of the propagandists is to extend their influence until they can take on the functions of government.

Senator NELSON. What is their system of organization in each case?

Mr. STEVENSON. It is merely the election of delegates to a central committee. That is what the soviet is.

Senator NELSON. Have they not local organizations? Have they not a local government?

Mr. STEVENSON. The central committee is the governing committee; it acts as the government.

Senator NELSON. Consisting of delegates from these various points?

Mr. STEVENSON. Yes.

Senator OVERMAN. The idea, then, is to form a government within this Government?

Mr. STEVENSON. Precisely.

Senator OVERMAN. And to overthrow this Government?

Mr. STEVENSON. Precisely. I think that the record should contain a copy of the constitution of the Russian Socialist Federated Soviet Republic.

Senator OVERMAN. Will you give us the names of some of the heads of this soviet government?

Mr. STEVENSON. In this country?

Senator OVERMAN. Yes.

Mr. STEVENSON. Those are largely foreigners. They are largely Russians over here now.

Senator NELSON. That constitution ought to go in, Mr. Chairman.

Senator OVERMAN. Let me see that.

Mr. STEVENSON (handing paper to the chairman). You will find some extraordinarily interesting matter there. The disfranchisement of all persons who employ anybody or pay anyone any wages; anyone who does that can not vote in the soviet government. You will find some very interesting political ideas there.

Senator NELSON. I think that would be a good thing to go into the record.

Senator OVERMAN. Yes; this will go in.

(The constitution referred to is printed in the record, as follows:)

[Outside of front cover.]

CONSTITUTION OF THE RUSSIAN SOCIALIST FEDERATED SOVIET REPUBLIC.

Since intelligent judgment on the complex problems of Russia requires some knowledge of the purpose and methods of the Soviet Government (which is one of those rare things—a new event in history), we believe that our readers will be glad to have this opportunity to study critically an English translation (taken from a recent issue of the New York 'Tribune') of the constitution of the Soviets. It has been generally recognized in America that so much progress has been made in Russia in working out this new conception of the state and its government. Even if the present Soviet Government should fall, or should learn by experience to modify some of its methods, the ideas embodied in this document are from henceforth a mighty force to be reckoned with in the world; and the document itself may well come to rank with the great declarations of history. 1918.

[Inside of front cover.]

Read the following books:

The Soviets at Work, by Nicolai Lenin.

Political Parties in Russia, Nicolai Lenin.

Our Revolution, Leon Trotzky.

On Behalf of Russia, Arthur Ransom.

The Soul of the Russian Revolution, by M. Olgin.

THE CONSTITUTION OF THE RUSSIAN SOCIALIST FEDERATED SOVIET REPUBLIC.

THE SOVIET CONSTITUTION AND DECLARATION OF RIGHTS AND DUTIES.

I.

DECLARATION OF RIGHTS AND DUTIES OF LABORING HUMANITY.

[Approved by the Commission of the Central Committee for Drafting the Constitution of the Soviets.]

We, the laboring people of Russia, workmen, peasants, cossacks, soldiers and sailors, united in the councils of the Workmen's, Soldiers', Peasants' and Cossacks' delegates, declare in the persons of our plenipotentiary representatives, who have assembled at the Pan-Russian Congress of Soviets, the following rights and duties of the working and despoiled people:

The economic subjection of the laboring classes by the possessors of the means and instruments of production, of the soil, machines, factories, railways, and raw materials—those basic sources of life—appears as the cause of all sorts of political oppression, economic spoliation, intellectual and moral enslavement of the laboring masses.

The economic liberation of the working classes from the yoke of capitalism represents, therefore, the greatest task of our time, and must be accomplished at all costs.

The liberation of the working classes must and can be the work of the classes themselves, who must unite for that purpose in the Soviets of the Workers, Soldiers', Peasants', and Cossacks' delegates.

In order to put an end to every ill that oppresses humanity and in order to secure to labor all the rights belonging to it, we recognize that it is necessary to destroy the existing social structure, which rests upon private property of the soil and the means of production, in the spoliation and oppression of the laboring masses, and to substitute for it a Socialist structure. Then the whole earth, its surface and its depths, and all the means and instruments of production, created by the toil of the laboring classes, will belong by right of common property to the whole people, who are united in a fraternal association of laborers.

Only by giving society a Socialist structure can the division of it into hostile classes be destroyed, only so can we put an end to the spoliation and oppression of men by men, of class by class; and all men—placed upon an equality of rights and duties—will contribute to the welfare of society according to their strength and capacities, and will receive from society according to their requirements.

The complete liberation of the laboring classes from spoliation and oppression appears as a problem, not locally or nationally limited, but as a world problem and it can be carried out to its end only through the united exertions of workingmen of all lands. Therefore, the sacred duty rests upon the working class of every country to come to the assistance of the workingmen of other countries who have risen against the capitalistic structure of society.

A Dictatorship of the Proletariat.

The working class of Russia, true to the legacy of the Internationale, overthrew their bourgeoisie in October, 1917, and, with the help of the poorest peasantry, seized the powers of government. In establishing a dictatorship of the proletariat and the poorest peasantry, the working class resolved to wrest capital from the hands of the bourgeoisie, to unite all the means of production in the hands of the Socialist state and thus to increase as rapidly as possible the mass of productive forces.

The first steps in that direction were:

Abolition of property in land, declaration of the entire soil to be national property, and the distribution of it to the workmen without purchase money upon the principle of equality in utilizing it.

Declaration as national property of all forests, treasures of the earth and waters of general public utility, and all the belongings, whether animals or things, of the model farms and agricultural undertakings.

Introduction of a law for the control of workmen and for the nationalization of a number of branches of industry.

Nationalization of the banks, which heretofore were one of the mightiest instruments for the spoliation of society by capital.

Repudiation of the loans which were contracted by the czar's government upon the account of the Russian people.

Arming of the laborers and peasants and disarming of the propertied classes.

Besides all this, the introduction of a universal obligation to work, for the purpose of eliminating the parasitic strata of society, is planned.

As soon as production shall have been consolidated in the hands of the working masses, united in a gigantic association, in which the development of every single individual will appear as the condition for the development of all men; as soon as the old bourgeois state with its classes and class hatreds is definitely superseded by a firmly established Socialist society which rests upon universal labor, upon the application and distribution of all productive forces according to plan, and upon the solidarity of all its members, then, along with the disappearance of class differences, will disappear also the necessity for the dictatorship of the working classes and for state power as the instrument of class domination.

These are the immediate internal problems of the Soviet republic.

The International Policies of the Soviet Republic.

In its relation to other nations the Soviet republic stands upon the principles of the first Internationale, which recognized truth, justice and morality as the foundation of its relations to all humanity, independent of race, religion or nationality.

The Socialist Soviet republic recognizes that wherever one member of the family of humanity is oppressed all humanity is oppressed, and for that reason it proclaims and defends to the utmost the right of all nations to self-determination and thereby to the free choice of their destiny.

It accords that right to all nations without exception, even to the hundreds of millions of laborers in Asia, Africa, in all colonies and the small countries who, down to the present day, have been oppressed and despoiled without pity by the ruling classes, by the so-called civilized nations.

The Soviet republic has transformed into deeds the principles proclaimed before its existence. The right of Poland to self-determination having been recognized in the first days of the March revolution, after the overturn in October the Soviet republic proclaimed the full independence of Finland and the right of the Ukraine, of Armenia, of all the people populating the territory of the former Russian empire, to their full self-determination.

In its efforts to create a league—free and voluntary, and for that reason all the more complete and secure—of the working classes of all the peoples of Russia, the Soviet republic declared itself a federal republic and offered to the laborers and peasants of every nation the opportunity to enter as members with equal rights into the fraternal family of the Republic of Soviets (through action taken) independently in the plenipotentiary sessions of their Soviets, to any extent and in whatever form they might wish.

The Soviet Republic's Basis of Peace.

The Soviet republic has declared war upon war, not only in words, but also in deeds; and in doing so it formally, and in the name of the working masses of Russia, announced its complete renunciation of all efforts at conquest and annexation, as well as all thought of oppressing small nations. At the same time, the Soviet republic, to prove the sincerity of the purposes, broke openly with the policy of secret diplomacy and secret treaties, and it proposed to all belligerent nations to conclude a general democratic peace without annexations or indemnities, upon the basis of the free self-determination of peoples. That standpoint is still firmly adhered to by the Soviet republic.

Compelled by the policy of violence practised by the Imperialisms of all the world, the Soviet republic is marshalling its forces for resistance against the growing demands of the robber packs of international capital, and it looks to the inevitable rebellion of the working classes for the solution of the question of how the nations can live peacefully together. The international Socialist rebellion alone, in which the laboring people of each state overthrow their own imperialists, puts an end to war once for all, and creates the conditions for the full realization of the solidarity of the working people of the entire world.

The Rights and Duties of the Workers.

Taking its stand upon the principles of the Internationale, the Soviet republic recognizes that there can be no rights without duties, and no duties without rights, and, therefore proclaims at the same time, with the rights of the working classes in a rejuvenated society, the following outline of their duties:

To fight everywhere and without sparing their strength for the complete power of the working classes, and to stamp out all attempts to restore the dominion of the despoilers and oppressors.

To assist with all their strength in overcoming the depression caused by the war and the opposition of the bourgeoisie, and to cooperate in bringing about as speedy a recovery as possible of production in all branches of economy.

To subordinate their personal and group interests to the interests of all the working people of Russia and the whole world.

To defend the republic of the Soviets, the only Socialist bulwark in the capitalist world, from the attacks of international imperialism without sparing their own strength and even their own lives.

To keep in mind always and everywhere the sacred duty of liberating labor from the domination of capital, and to strive for the establishment of a world-embracing fraternal league of working people.

In proclaiming these rights and duties the Russian Socialist Republic of the Soviets calls upon the working classes of the entire world to accomplish their task to the very end, and in the faith that the Socialist ideal will soon be achieved to write upon their flags the old battle cry of the working people.

Proletarians of all lands unite!

Long live the Socialist world revolution!

II.

GENERAL PROVISION OF THE CONSTITUTION OF THE RUSSIAN SOCIALIST FEDERAL REPUBLIC.

The fundamental problem of the constitution of the Russian Socialist Federal republic involves, in view of the present transition period, the establishment of a dictatorship of the urban and rural proletariat and the poorest peasantry, the power of the pan-Russian Soviet authority, the crushing of the bourgeoisie, the abolition of the spoliation of men by men and the introduction of Socialism in which there will be neither a division into classes nor a state authority.

The Russian republic is the free Socialist society of all the working people of Russia, united in the urban and rural Soviets.

The Soviets of those regions which differentiate themselves by a special mode of existence and national character will be united into autonomous regional associations ruled by the sessions of the Soviets of those regions and their executive organs.

The Soviet associations of the regions participate in the Russian Socialist republic upon the basis of federation, at the head of which stands the pan-Russian session of the Soviets and, in periods between the sessions, the pan-Russian central executive committee.

III.

CONCERNING THE RUSSIAN SOVIETS.

The right to vote and to be elected to the Soviets is enjoyed by the following citizens of the Russian Socialist Soviet republic of both sexes who shall have completed their eighteenth year by the day of election:

All who have acquired the means of living through labor that is productive and useful to society and are members of the trades associations, namely:

(a) Laborers and employees of classes who are employed in industry, trade and agriculture.

(b) Peasants and Cossack agricultural laborers who hire no labor.

(c) Employees and laborers in the offices of the Soviet government.

(d) Soldiers of the army and navy of the Soviets.

(e) Citizens of the two previous categories who have to any degree lost their capacity to work.

The following persons enjoy neither the right to vote nor to be voted for even though they belong to one of the categories enumerated above, namely:

Persons who employ hired labor in order to obtain from it an increase of profits;

Persons who have an income without doing any work, such as interest from capital, receipts from property, and so on.

Private merchants, trade and commercial agents;

Employees of communities for religious worship;

Employees and agents of the former police, the gendarmerie corps and the Ochrana; also members of the dynasty that formerly ruled Russia;

Persons who have in legal form been declared demented or mentally defective and also deaf and dumb persons;

Persons who have been punished for selfish or dishonorable misdemeanors.

IV-VII.

PRINCIPLES FOR THE ADMINISTRATION OF THE RUSSIAN STATE.

The government is based upon the smallest settlements (villages and hamlets), the inhabitants of which may elect one representative to each 25 persons.

The rural Soviets are under the authority of the Soviets of the Wolosts (districts), and these latter under the Soviets of the Ujesd (larger regions).

The urban and Ujesd Soviets elect delegates to sessions of the government or Oblast Soviets. Each of these bodies chooses independently its own executive committee.

VIII.

CONCERNING THE PAN-RUSSIAN CONGRESS OF THE SOVIETS.

The Pan-Russian Congress of Soviets consists of representatives of the urban Soviets (one delegate for each 25,000 voters) and representatives of the government congresses (one delegate for each 125,000 voters).

The Pan-Russian Congress of Soviets will be called together by the Pan-Russian central executive committee at least twice a year.

The extraordinary Pan-Russian Congress will be called together by the Pan-Russian central executive committee upon its own initiative or upon the demand of the Soviets of districts embracing at least one-third of the entire population of the republic.

The Pan-Russian Congress of Soviets elects the central executive committee of not more than 200 members.

The Pan-Russian executive committee is responsible to the Pan-Russian Congress of Soviets.

The Pan-Russian Congress of Soviets is the highest power in the republic. In the periods between its sessions that power is represented by the Pan-Russian central executive committee.

Eleven Administrative Departments.

It is further provided that the central executive committee shall be divided into 11 colleges for administrative functions. There are:

- Foreign policies.
- Defense of the country (army and navy).
- Social order and security (militia), census of the people, registration of societies and associations, fire department, insurance, organization of the Soviets.
- Justice.
- Public economy (with subsections for agriculture, industry and trade, finances, railways, food supply, state property and construction).
- Labor and social welfare.
- Education and enlightenment of the people.
- Public health.
- Post, telegraph and telephone.
- Federal and national affairs.
- Control and auditing.

Mr. STEVENSON. One could continue to give illustrations of the speeches made, and illustrations of the character of the propaganda; but I hardly think it will be necessary to cumber the record with repetition.

Senator NELSON. So far, with the exception of a few cases, they are all confined to foreigners, are they not?

Mr. STEVENSON. Except that the Socialists approve of that form of government in a great many instances.

Senator NELSON. Yes.

Mr. STEVENSON. And express sympathy for it in their publications, and are cooperating with the Bolsheviki. A casual glance at some of the Socialist papers will satisfy anyone that that is the case.

Senator NELSON. There is a community of interest?

Mr. STEVENSON. Distinctly. I think that the interesting point about the Bolsheviki, which might be brought out, is that prior to their propaganda we had these different branches of radical thought, having somewhat conflicting principles so that they could not cooperate.

Senator NELSON. Do you mean by that that instead of having all these organizations of various kinds that we have had in this country, the Bolsheviki in Russia have succeeded in concentrating all the lye, one might say, into one system?

Mr. STEVENSON. Precisely, and for this reason, that all of the radical people believe that everyone should belong to the proletariat.

Senator NELSON. Yes.

Mr. STEVENSON. The Bolsheviki say "Everything should belong to the proletariat; the proletariat should take control now, and will work out our theory afterwards." That makes a common platform for all of these radical groups to stand on, because the anarchist feels that if the proletariat gets control he can effect his theory. The same is true of the various other groups of radical thinkers.

Senator NELSON. Then they have really rendered a service to the various classes of reformers and progressives that we have here in this country, have they not?

Mr. STEVENSON. Apparently.

Senator NELSON. In concentrating their doctrines into one formula?

Mr. STEVENSON. They have.

Maj. HUMES. Now, Mr. Stevenson, have you seen any evidence of propaganda of any kind since the signing of the armistice, especially in the foreign-language newspapers and German newspapers?

Mr. STEVENSON. I believe that there are evidences of post-armistice propaganda, designed to create a sentiment which will be favorable to Germany, and which will lead to the adoption of less harsh terms for her. What appears to me to be a typical example of that is an editorial which was printed in the evening edition of the New York Staats-Zeitung, December 7, 1918, which I would like to read in the record.

Senator NELSON. Yes.

Mr. STEVENSON. The title of the editorial is "Between the Moselle and the Rhine":

Hundreds of thousands of our boys are standing now over there in the home-land, which for 19 months was enemy country and is that still so, which, as President Wilson promised, will soon be a land (country) of peace again, rich (plentiful) in diligent work, rich in true and good people and rich in songs, ringing from the wine-covered hills, from river and field, through the high trees of green golden glittering woods and from the beloved old homes imbedded in light and fragrance; where the people looks with clear eyes into the far distance into the wealthy, blessed land; where the ridges, (summits and peaks of the Alps (mountains) do not strive powerfully skywards, but are modestly and solidly placed upon the earth, surrounded by a fragrance as warm and heavy as lilac in May, as roses in June and as the sweet blossoming wine.

Our boys passed over these mountains and found out that people are living behind them (mountains) too; that the green crop-fields there are also covered by a sky, bright in sunshine, clouded or sultry.

That the man there, also loves his neighbor, obeys the law and knows a secret who weighs the most secret thoughts.

And, as the blacksmith forges iron after iron, as the peasant, with a scythe pipe between his defective teeth, walks heavily over the brown field, behind a plowing team holding the handle with a strong arm, as the children run about on the streets, laughing and singing, and as a merry laughter and clinking of glasses and plates is audible from a saloon (bar)—as the whole happy life of this blessed region presents a picture of peace and contentment, he wondered whether his men (Germany) at home, long ago, had not been his cheeks and anger for the doubtful sources, branded a war murderers of children and children.

And whether he (the American) in his heart to combat (deny) again and to tell the truth about it.

Reports from abroad have been in a more un-
mannered ways. Who is su

surely no one, who knows this country (Germany) and its people. Because the German does not carry on war in a peasant's garb and a peasant's hat. The scandalous manners of the Franc-tireur is not in his blood, which is also the reason why he, as a soldier, combats it (the Franc-tireur doings) with such barbarian harshness.

"Many of them want to come over to us after peace is signed," writes a correspondent who is with our boys. It is possible but not very probable, because the experience of their kinsmen over here, through four long years, full of grief and sorrow, were too bitter as to entice others so quickly. But still, it would be good if they would come, as every exchange and every becoming acquainted is good.

It is perhaps our own fault that those over there (Germans) did not know this country, that they were criminally misled, and had challenged to battle this huge, inexhaustible power awakened suddenly from a deep, bloody, dream, they will realize now the great truth, when it is too late, that in this time of selfishness and greed for profit, there is still a people on this earth which is ready to fight for higher things than money and land possessions, sacrificing thousands of their sons in order that the children of the "enemy" may live happy in freedom and peace.

And, in the same way, the majority of the people here did not know land and country against which it carried on war in hate and contempt, for 19 months.

Our boys are now on their way to discover the real Germany as it lives in our heart, in the heart of those who were born on Germany's soil. May they return, enlightened and make the truth known. Because war and hate grow only where two do not know anything or do not want to know anything of each other. But peace reigns where one knows the other and respects him as a human being.

I consider that as typical of a post-armistice propaganda, of which there have been a number of instances.

Maj. HUMES. That was published in the Staats-Zeitung?

Mr. STEVENSON. Yes.

Maj. HUMES. As a further evidence of the activity and interest of that paper, can you outline the method by which it was financed, and the sources which displayed interest in the publication of the paper after the war broke out, after the European war started? I do not care about the ancient history of it.

Mr. STEVENSON. The New York Staats-Zeitung is a daily publication printed in New York City, and is the leading German-language newspaper in the United States.

The owner of the paper was Mr. Herman Ridder, who died some time in, I think, the spring of 1915.

At the time of his death his estate was very much involved, and the Staats-Zeitung was indebted in a sum of money amounting to over \$300,000.

The entire stock of the newspaper was owned by Mr. Ridder, and apparently has been pledged as collateral to various private loans.

At the request of the Military Intelligence, the Attorney General of the State of New York, Mr. Merton E. Lewis, began an examination of the financing and the character of the Staats-Zeitung, and appointed Nathaniel Elsborg as special deputy to carry on the examination.

The entire record of that examination is here, and it does not disclose that any proof was submitted that any German money was paid into the Staats-Zeitung, with the exception of \$15,000, which was advanced by Dr. Dernburg, through Mr. Adolph Pavenstedt, of Amsinck & Co.

A very interesting thing appeared, however, in the testimony of Mr. George von Skal, who was in the employ of Capt. von Papen

at the time, and who had formerly been the managing editor of the Staats-Zeitung. He stated that he had seen cablegrams—I will read this from the record in question and answer form:

Q. Did you ever hear that von Papen or any one else connected with the German authorities in this country had been besought to make a contribution or otherwise to finance it—the Staats-Zeitung?—A. Yes.

This is the testimony of George von Skal.

Q. When was that?—A. Well, I don't know who it was; I only saw the telegram that went to Berlin.

Q. Now, you saw a telegram that went to Berlin; who signed that telegram?—A. I don't know; I only saw a copy in von Papen's files.

Q. Will you tell us what that telegram said?—A. The telegram said that the Staats-Zeitung was about to fail, or something like that; that they had—I don't know whether the name of the creditor was mentioned, I don't think so, because I would remember it—that they had to have near half a million dollars immediately if it should not fall into the hands of people who would use it against Germany, I think, something like that.

Q. Now that was about when, if you remember?—A. It must have been December, 1914, or January, 1915. I can place the limits in this way: It was after the German fair that we held in the 71st Regiment Armory and which closed in the first week of December, if I remember; and it was before a dinner which took place in the German club at the end of January when Mr. Pavenstadt invited me and talked about the Staats-Zeitung, and when he said it had all been arranged.

Q. What had all been arranged?—A. The financial matters of the Staats-Zeitung.

Q. You mean at this dinner in which you saw Mr. Pavenstadt which was in January, 1915, he told you that the matter had been arranged?—A. Yes.

Q. You were present at that dinner?—A. Yes.

Q. That was held where, did you say?—A. In the German Club.

Q. In Fifty-ninth Street, here in New York?—A. In Fifty-ninth Street, yes.

Q. Now, to come back to this telegram or cable, you say you saw that in the files in von Papen's office.—A. I saw it in the files in von Papen's office, in fact, the papers away.

Q. You remember who signed that telegram?—A. I think that telegram—I won't say that, because I am not sure of it; I think it was Hatzfeld.

Q. He was the counsel of the German Embassy, was he, Prince Hatzfeld?—A. Yes.

Q. To whom was it addressed, if you remember?—A. Well, to the Foreign Office, I think.

Q. To the Foreign Office.—A. Yes.

Q. Did you ever see any answer received to that cable?—A. Yes, I saw an answer to that cable.

Q. The answer was received shortly after the sending of the cable?—A. Well, I don't know when it was received, I saw the papers in the files, filing them away.

Q. What did the answer contain?—A. The answer was that the Legation was authorized to pay the money if necessary.

Senator OVERMAN. What are you reading from now?

Mr. STEVENSON. I am reading now from the testimony taken before Nathaniel A. Elsborg, special deputy attorney general of the State of New York.

Senator NELSON. What was the name of the witness—von Skal?

Mr. STEVENSON. George von Skal.

Senator OVERMAN. Now, Mr. Stevenson, I want to ask you a question: You said you were going to come to it, but you have not yet, and I want to ask you how these people got their money to carry on the propaganda?

Mr. STEVENSON. I said that we had discovered money coming in this country from Russia.

Senator OVERMAN. Yes.

Mr. STEVENSON. Which was to be employed to carry on this propaganda—part of it.

There is reason to believe that a large amount of other money has come in that has escaped notice.

Senator NELSON. From other sources?

Mr. STEVENSON. Largely from Russia, I believe.

Other people who are interested in this sort of thing may contribute.

There is one thing certain, that a very vast amount of money is expended in the printing and publishing and distributing of all this mass of literature. You will notice that practically none of these things carry any advertising to speak of, so that they must be financed in some outside way.

Senator OVERMAN. Did you ever trace any bank where they had their banking business?

Mr. STEVENSON. We have only been studying propaganda as propaganda, and have not gone into the other phases of the question. What is proper for some other branch of the service, or of the Government.

Maj. HUMES. To go back to the Staats-Zeitung matter, was there not a voting trust created?

Mr. STEVENSON. A reorganization was effected by which the capital was increased through the issuing of 200,000 preferred shares. The underwriting was made by Chandler & Co.

Maj. HUMES. Do you mean \$200,000 or 200,000 shares?

Mr. STEVENSON. \$200,000.

Senator NELSON. \$200,000 of preferred stock?

Mr. STEVENSON. \$200,000 of preferred stock, which was underwritten by Chandler & Co.

Maj. HUMES. Who were the people who were concerned in the voting trust?

Mr. STEVENSON. I forgot to describe that the common stock had been pledged for a very large amount of money. Money had to be raised to redeem that stock, and consequently a holding company, known as the New York Staats-Zeitung Holding Co., was organized. The shares of that stock were issued to the sons of Herman Ridder, who are now the editors and managers of the Staats-Zeitung, and bonds were issued to those who either held the stock or who advanced money to redeem the stock which had previously been pledged.

The holding company held the controlling interest in the Staats-Zeitung Publishing Co., the original company that published the newspaper.

The common stock of the holding company was then put into the hands of voting trustees, and the interesting feature there is that the voting trustees—the chief voting trustee was Adolph Pavenstedt, whom you know in connection with the Bolo matter.

The names of the other voting trustees were Julius Sternburg, Fritz Achelis, one of George Ehret's sons-in-law named Burghardt, and William J. Amend.

So that these voting trustees controlled the majority of the Staats-Zeitung and, consequently, could put in those directors that they wanted, and were practically in the position of owners of the paper.

Maj. HUMES. Was there any person or concern engaged in the brewing business that was largely interested in this transaction—financially interested?

Mr. STEVENSON. Mr. George Ehret.

Maj. HUMES. To what extent?

Mr. STEVENSON. I think that he put in \$50,000. That is my recollection.

Maj. HUMES. Were there any other brewers, or persons engaged in the brewing business, in the list of contributors?

Mr. STEVENSON. I believe that there were.

The estate of Jacob Schwartz, and George E. Ruppert; I believe those are the only ones that were connected with the brewing interests that participated in this refinancing.

Maj. HUMES. Just tell us the others who participated in the refinancing of the company.

Mr. STEVENSON (reading):

Achelis.

George Ehret.

E. Erbslch.

Henry H. Dyrsen.

David E. Freudenberger.

Henry Heide.

William Knauth.

Adolph Pavenstadt.

Adolph Kuttroff.

William H. Mulligan.

Albrecht Pagenstecher.

George E. Ruppert.

Estate of Jacob Schwartz.

Mrs. Anna Woerishoffer.

William J. Amend.

Maj. HUMES. You have outlined in a general way the activities of the radical groups in this country, and from your study of the cases advocated by the radical groups in this country that you have referred to and what they are contending for, and your knowledge of the soviet government in Russia and the activities in Russia, is it or is it not a fact that the elements that you have referred to in this country are the same elements that are now at war with and fighting in the field against American soldiers in Russia?

Mr. STEVENSON. They are the same element.

Senator NELSON. They are not exactly the same crowd, but they have the same gospel?

Mr. STEVENSON. They are even the same crowd, Senator, because John Reed is the accredited representative of that government.

Senator NELSON. In this country?

Mr. STEVENSON. In this country; and Albert Rhys Williams admits that he is a propagandist for that government in this country.

Senator NELSON. Is Reed the official representative here?

Mr. STEVENSON. Yes.

Senator NELSON. Has he knocked at the door of the State Department?

Mr. STEVENSON. I believe that he tried to. I am not sure. I know that among his effects, however, he had the official forms supplied by the Soviet government for Soviet marriages and divorces, and that sort of thing.

Maj. HUMES. What are the forms and the requirements for marriages and divorces under the Soviet government in Russia.

Mr. STEVENSON. Simply a statement before the proper commissary that they want to be married, or that they want to be divorced.

Senator OVERMAN. Do they have as many wives as they want?

Mr. STEVENSON. In rotation.

Maj. HUMES. Polygamy is recognized, is it?

Mr. STEVENSON. I do not know about polygamy. I have not gone into the study of their social order quite as fully as that.

Senator NELSON. That is, a man can marry and then get a divorce when he gets tired, and get another wife?

Mr. STEVENSON. Precisely.

Senator NELSON. And keep up the operation?

Mr. STEVENSON. Yes.

Senator OVERMAN. Do you know whether they teach free love?

Mr. STEVENSON. They do.

Maj. HUMES. Can a divorce be secured upon the application of one party to the marriage, or has it to be by agreement?

Mr. STEVENSON. I think by one party.

Maj. HUMES. By either party?

Mr. STEVENSON. By either party.

Maj. HUMES. They can renounce the marital bond at will?

Mr. STEVENSON. Precisely.

Maj. HUMES. Do you know whether or not the element that is active in this country is advocating the same thing here in their public speeches, or their literature?

Mr. STEVENSON. In considerable of the literature some of the element has done so. I will not say that all have.

Maj. HUMES. The committee asked you yesterday to rearrange the "Who's Who." Has that work been completed so that it can be submitted to the committee?

Mr. STEVENSON. It has been practically completed, Major.

Maj. HUMES. You have not fully completed it?

Mr. STEVENSON. We will have it completed very shortly. It is more of a task than I realized at first.

Maj. HUMES. But it will be completed for submission for the record later in the day?

Mr. STEVENSON. Yes.

Maj. HUMES. I think that is all I have to ask, unless the committee has something further.

Senator OVERMAN. You think this movement is growing constantly in this country?

Mr. STEVENSON. I think so.

Senator OVERMAN. Rapidly or slowly?

Mr. STEVENSON. I think it is growing rather rapidly, if we can judge it by the amount of literature that is distributed and the number of meetings held. It is a very indefinite sort of thing. It is extremely difficult to state how effective these sheets are.

Senator OVERMAN. You have not discovered that it is growing among the American population; it is more among the foreigners, is it not?

Mr. STEVENSON. Well, the Rand School of Social Science publishes a lot of these works, like the Letters from Lenin, and that sort of thing,

and that is made up very largely of American citizens, such as Charles Andrew Beard, Henry Wadsworth Dana, Algernon Lee, and Scott Nearing.

Senator NELSON. Do you regard this propaganda as a menace to our country?

Mr. STEVENSON. Decidedly. I conceive it to be the gravest menace to the country to-day.

Senator OVERMAN. Your idea is that these people are conducting in this country an organization within this country for the overthrow of its Government, carrying the red flag, and with the cry "Down with capitalists" as the principal teaching?

Mr. STEVENSON. That is true.

Senator NELSON. You have given us a good diagnosis. Now, do you give us any remedy or suggest any remedy for it?

Mr. STEVENSON. It strikes me, Senator, that there are several things which might be done.

In the first place, I think that the foreign agitators should be deported. I think the bars should be put up to exclude seditious literature from the country. There is practically no way now to stop this material from coming in.

I think that American citizens who advocate revolution should be punished under a law drawn for that purpose.

Senator OVERMAN. Then you will hear somebody in the Senate talking about freedom of speech, will you not?

Mr. STEVENSON. Yes; but revolution is somewhat different from freedom of speech.

I think, however, that that would not be sufficient. I think that one of the things that must be carried on is a counter-propaganda campaign.

Senator NELSON. An educational campaign?

Mr. STEVENSON. A campaign of education. I think that you must employ the same weapons that they employ.

The thing that has impressed me more than anything else is that you see all of these papers, all of these documents, and you hear all of these speeches and meetings, and you do not see a scratch of a pen that reaches these people, hardly, to disprove the arguments which are put forth by these papers.

Senator NELSON. But do you find much in our public press, our daily press, the weekly press, or our monthlies, that calls the attention of the American people to these things and points out the danger of them?

Mr. STEVENSON. Not until very recently, Senator. We have seen this movement grow up for the last year and a half in the foreign language press, and now it has extended to all these other papers. It seems to me that our teachers in the public schools should be trained to combat this thing; and still further, I think if you go back to history you will find a very interesting parallel in the United States to the condition which we find here now. You will remember that in about 1791 or 1792 or 1793, somewhere along there, we had a great whisky rebellion in western Pennsylvania. That whisky rebellion was brought about through the agitation of civil liberties bureaus, which were the reflex of the Jacobean clubs in France. As in the Life of Washington by John Marshall, he makes a very

interesting observation on the fact that as soon as Robespierre was guillotined in France, and the Jacobean clubs lost their power, immediately in the United States there came the dissolution of these democratic societies. And it seemed to me that there was a lesson for us to-day in that: That so long as the Bolsheviki control and dominate the millions of Europe, so long that is going to be a constant menace and encouragement to the radical and dissatisfied elements in this country.

Senator NELSON. They will be a nursery for them that will extend to our country?

Mr. STEVENSON. Precisely.

Senator NELSON. In other words, you practically recommend three classes of remedy:

First, the exclusion or deportation of these people from the country.

Second, the exclusion of their publications—the suppression of them.

Third, what you call an educational campaign.

Mr. STEVENSON. Precisely.

Senator OVERMAN. A propaganda by Americans for America?

Mr. STEVENSON. Exactly.

To illustrate what we have to contend with in New York City, we have 4,000,000 persons that are either foreign born or the children of foreign-born parents. We have 500,000 adults that do not speak the English language, and that condition is typical of practically all of our industrial centers.

We have allowed these people to pick up their patriotism, what little they have, on the streets, and the American has not helped in any way to frame the thought of those people. They are fed by these radical papers and by these radical speakers.

Senator NELSON. The seat of the difficulty is in these large cities here in the East, and in the manufacturing centers, is it not?

Mr. STEVENSON. Exactly.

Senator NELSON. And the mining centers?

Mr. STEVENSON. Yes; any industrial center.

Senator OVERMAN. How would the establishment of schools for foreigners by Americans, teaching them the English language, tend to remedy the situation? How would it do for the Government to take charge of that?

Mr. STEVENSON. I think the question of how to conduct the counterpropaganda campaign or the educational campaign is one concerning which our educators ought to advise, but I think their attention should be directed to it.

Senator NELSON. Would you not stir up some of these college professors that you have referred to?

Senator OVERMAN. Are the States doing anything toward overcoming this trouble?

Mr. STEVENSON. I believe that there are a few of the States that are passing laws assisting in Americanization campaigns.

Senator NELSON. Have they any laws in New York and Pennsylvania for the compulsory attendance of children in English schools?

Mr. STEVENSON. Oh, yes; for the children.

Senator NELSON. They have?

Mr. STEVENSON. Yes.

Senator NELSON. Do they enforce those laws?

Mr. STEVENSON. Oh, yes; I think they are enforced quite. But, at the same time, the public schools are not wholly free of this doctrine.

Maj. HUMES. They are enforced in Pennsylvania, Senator.

Senator NELSON. What is that?

Maj. HUMES. The compulsory attendance laws are enforced in Pennsylvania, quite stringently.

Senator OVERMAN. How about the teachers? Do they have American teachers teaching Americanism?

Maj. HUMES. They have American teachers, Senator. I am in a position to say what they teach.

Senator OVERMAN. What do you think about our immigration laws, Mr. Stevenson? Do you not think they should be more stringent?

Mr. STEVENSON. I think they ought to be very much more stringent.

Senator OVERMAN. And stop these people from coming here?

Mr. STEVENSON. Precisely. I think we have got to have an opportunity to digest the mass of people we have here now, before dilute Americanism any further.

Senator NELSON. But you can not base exclusion altogether on mere educational lines. Some of these fellows that come here can read and write and yet they are anarchists and Socialists.

Mr. STEVENSON. As a matter of fact, these people who are coming over here are, in many instances, very extraordinarily well-educated people.

Senator NELSON. They are well educated?

Mr. STEVENSON. Yes.

Senator NELSON. And an educational bar would not exclude these people?

Mr. STEVENSON. Not at all.

Senator OVERMAN. Would it do to pass a law that no person should enter this country unless he is a white man—an Anglo-Saxon—for the next 10 years?

Mr. STEVENSON. If it could be done I think it would be a good thing.

Senator OVERMAN. You think that would be a good law to pass?

Mr. STEVENSON. Yes, sir.

Senator OVERMAN. So do I. It would affect the brown man, the yellow man and the black man.

Mr. STEVENSON. As a matter of fact, I think this whole subject has only been examined very cursorily. I think that it is sufficient grave to justify a thorough-going investigation.

Senator NELSON. Would it not be a good plan to get all the fellows that get up these Chatauqua lecture programs to take up these questions and instruct the people from the platform?

Mr. STEVENSON. It seems to me, Senator, that anything that would be of very great benefit for the country would be to have appointed a commission, made up of investigators and educators, who would collect the material which could be gathered, and determine and appraise the importance of these facts, and advise some method of coping with them, because there is no agency of the Government that I am acquainted with that has been able to examine or follow all of

papers, or to follow the meetings in order to have the entire data in hand.

Senator NELSON. You are aware that we have big constitutional lawyers here, and that in carrying on these reforms that you suggest we would run up against the gospel of free press and free speech? You are aware of that fact, are you not?

Mr. STEVENSON. Indeed, I am; but I do think that a man who advocates force to overthrow the Government is going a little bit beyond the limits of free speech.

Maj. HUMES. The present immigration laws exclude men of that kind, do they not?

Mr. STEVENSON. Yes; but those men do not say that when they are coming in through Ellis Island.

Maj. HUMES. The same immigration law authorizes the deportation of those who advocate it after they come to the country, too.

Senator OVERMAN. Who is the Immigration Commissioner now?

Mr. STEVENSON. Frederick C. Howe.

Senator OVERMAN. Do you know what his teachings are?

Mr. STEVENSON. Somewhat radical.

Senator OVERMAN. Is he in sympathy with this Soviet, or Bolsheviki, movement?

Mr. STEVENSON. I would rather not express an opinion, Senator, on what his sympathies are. I have never had the pleasure of talking to him.

Senator NELSON. Is he inclined to be a Socialist, or does he belong to one type of Socialists?

Mr. STEVENSON. He belonged to a number of the pacifist societies which were mentioned yesterday.

Senator OVERMAN. Is he not generally regarded as a Socialist?

Mr. STEVENSON. That I do not know, Senator.

Senator NELSON. Have we many Socialists here among the officials of the Federal Government?

Mr. STEVENSON. That also is a question that I would rather not answer, Senator.

Senator NELSON. Let me put the question in another form: Do you not think that a good many Socialists have crept into the army of officeholders in this country?

Mr. STEVENSON. I think that is undoubtedly true.

Senator NELSON. How would you reach those fellows?

Mr. STEVENSON. Now you are asking me a very difficult question, Senator.

Senator NELSON. I was just reading in the paper to-day that 123 conscientious objectors had been discharged. You took pains the other day to explain the propaganda that was carried on in behalf of those fellows. Evidently the propaganda has been successful, because I noticed in the morning paper that 123 of them had been discharged. Did you observe that?

Mr. STEVENSON. I saw that; yes.

Senator NELSON. They had evidently carried on a successful propaganda?

Mr. STEVENSON. I think possibly they did.

Senator OVERMAN. You have given some very interesting testimony, Mr. Stevenson, and we are very much obliged to you.

Senator NELSON. This all puts us in mind of the old hymn, "The Lord moves in a mysterious way."

Senator OVERMAN. This may be one way of getting all this testimony out to the American people and letting them know what is going on in this country.

Senator NELSON. Yes; it is a very good thing for their education.

Senator OVERMAN. German propaganda has gone over the wall and now we are up against a worse propaganda than that. I believe that is all now, Mr. Stevenson, unless Maj. Humes has something further.

Maj. HUMES. I have nothing else to-day. I would suggest that we adjourn to meet at the call of the chairman, Senator.

Senator OVERMAN. You have nothing for to-morrow?

Maj. HUMES. Nothing.

Senator OVERMAN. We will adjourn indefinitely, subject to the call of the chairman.

(Whereupon, at 4.15 o'clock p. m., the subcommittee adjourns subject to the call of the chairman.)

(The list of names mentioned and submitted by Mr. Stevenson is here printed in full in the record, as follows:)

Jane Addams: Chairman, Woman's Peace Party; vice chairman, American Neutral Confer. Committee; exec. comm. Amer. Un. Ag. Militarism; Council of Fellowship of Reconciliation; Amer. League to Limit Armaments.

James J. Bagley: President of Franklin Union, No. 23, Inc., New York; member org. comm. People's Council; exec. comm. Peace Without Victory League; speaker at conference of Young Democracy. May 1918; exec. comm. Young Democracy.

Henry J. Cadbury: Professor Univ. of Penna.; exec. comm. Young Democracy; Amer. Friends Service Comm.; Fellowship of Reconciliation.

Edmund C. Evans: Architect, Philadelphia; org. comm. People's Council; exec. comm. Fellowship of Reconciliation; exec. comm. Natl. Civil Liberties Bureau; active in Young Democracy.

Harold Evans: Lawyer, Philadelphia; atty. for Civil Lib. Bureau of Amer. Un. Ag. Mil.; gen. comm. Liberty Defense Union; exec. comm. Fellowship of Reconciliation; Amer. Friends Service Comm.; exec. comm. Young Democracy.

Kuno Francke: One time prof. Harvard; Amer. Neutral Conf. Committee; Intercol. Socialist Soc.; Knight Royal Order Prussian Red Eagle and Order of Crown.

Prof. William F. Bade, Berkeley, California: Studied University of California 1905-06; prof. at University of California 1902; member of Intercollegiate Socialist Society.

Prof. Emily Greene Balch: Economist; studied with Profs. Schmoller and Wagner; prof. of political economy and social science Wellesley; American Neutral Conference Committee; People's Council of America; Liberty Defense Union; Woman's Peace Party of New York City; Emergency Peace Federation; American Union Against Militarism; Collegiate Anti Militarism League; Woman's International League; Intercollegiate Socialist Society.

Roger N. Baldwin: Now serving sentence for violation of Selective Service Act; former instructor of sociology at Washington University St. Louis; member of National Civil Liberties Bureau, American Union Against Militarism, Liberty Defense Union, Collegiate Anti-Militarism League, Fellowship of Reconciliation, Bureau of Legal Advice, League for the Amnesty of Political Prisoners, National Conference of Labor, Socialist and Radical Movements.

Prof. Charles A. Beard: Formerly of Columbia University; Member of Intercollegiate Socialist Society; Lecturer at Rand School of Social Science.

Prof. Sophonisba P. Breckinridge: Asst. Prof. of Household Administration, University of Chicago since 1908; American Union Against Militarism; Woman's Peace Party.

Prof. Frederick A. Bushee: Studied in Berlin; Prof. at Colorado College; Member of Intercollegiate Socialist Society.

Evans Clark: Formerly Instructor of Economics at Princeton University in Economics; Head of Bureau of Research and Lecturer at Rand School of Social Science; Member of Intercollegiate Socialist Society.

Lindsay T. Damon¹: Prof. at Brown University; Member of Intercollegiate Socialist Society.

Henry W. L. Dana: Former Prof. of English at Columbia University; Member Peoples Council of America, Collegiate Anti Militarism League, the Young Democracy, Nation Conference of Labor, Socialist and Radical Movement.

John Lovejoy Elliott: Educator; Ph. D. from Halle University, Germany; Member American Union Against Militarism; Liberty Defense Union, Bureau Legal Advice, National Civil Liberties Bureau.

Elizabeth Freeman: Born in England; exec. sec'y Peoples Council; advisory board League for Amnesty of Political Prisoners; comm. League of Small and Subject Nationalities.

Elizabeth Gurley Flinn: I. W. W. for last 10 years; under indictment for violation espionage act; exec. comm. Liberty Defense Union.

Thomas C. Hall: Professor and theologian, studied in Germany, connected with Union Theological Seminary; member Intercollegiate Socialist Society; on Reception Comm. Friends of Peace; org. Comm. of German Univ. League in this country; wrote many articles for "Fatherland"; decorated by Kaiser with the Order of the Crown. Now living in Germany.

Morris Hillquit (originally Morris Hilkowist): Born in Russia; org. comm. Peoples Council; atty. cooperating with Nat'l Civil Liberties Bureau; Amer. League to Limit Armaments.

John Haynes Holmes: Clergyman; exec. comm. Amer. Neutral Conf. Comm.; exec. com. Amer. Union Ag. Mil.; Civil Liberties Bureau; dir. comm. Nat'l Civil Liberties Bureau; vice-pres. Liberty Defense Union; edit. board "World Tomorrow"; of Fellowship of Reconciliation; Amer. League to Limit Armaments.

Frederick C. Howe: Lawyer, Commissioner of Immigration at New York; studied in Germany; gen. comm. Amer. Neutral Conference Comm.; pres. League of Small and Subject Nationalities; Member of League of Free Nations Ass'n advisory board Brown Open Forum.

Jessie W. Hughan: professor, Barnard College; adv. board, Collegiate Anti-Militarism League; council, Fellowship of Reconciliation; exec. board, Woman's International League; sec'y N. Y. State Branch of Woman's Peace Party; exec. comm. Intercollegiate Socialist Society; member, League of Conscientious Objectors.

William I. Hull: professor Swarthmore; studied in Germany; gen'l comm. Amer. Mutual Conf. Comm., member council, Fellowship of Reconciliation.

Paul Jones: bishop; org. comm. People's Council; council, Fellowship of Reconciliation; interested in Young Democracy.

Rufus H. Jones: professor, Haverford College; on editorial board, "World Tomorrow"; council, Fellowship of Reconciliation; Amer. Friends Service Comm.

David Starr Jordan: chancellor, Stanford Univ.; Amer. Mutual Conference Comm.; exec. comm. Amer. Un. Ag. Militarism; gen'l comm. Liberty Defense Union; adv. comm. Collegiate Anti-Mil. League; comm. Amer. League to Limit Armaments, People's Council of Amer.

Lindley M. Keasbey: professor, Univ. of Texas; studied in Germany; member org. comm. People's Council of Amer. & in charge of org. work in southern states.

Geo. W. Kirchwey: formerly dean of Columbia Law School; Amer. Neutral Conf. Comm; member Civic Club of N. Y., a meeting place of radicals; member adv. board Brown Open Forum.

Edward Krehbiel: professor, Stamford Univ.; member League to Enforce Peace; gen. comm. Amer. Neutral Conference Comm.; Civil Liberties Bureau of Amer. Union Ag. Militarism; member League of Free Nations Ass'n.

Agnes Brown Leach, of New York: exec. board Woman's International League; treas. N. Y. State Branch of Woman's Peace Party; treas. Woman's Peace Party of N. Y. City; exec. com. Amer. Union Ag. Mil.; dir. comm. Nat'l Civil Liberties Bureau; interested in Young Democracy; member Civic Club of N. Y.

Louis P. Lochner: pers. representative of Henry Ford on Ford Peace Mission; exec. sec'y People's Council of Amer.; member Liberty Defense Union; org. comm. Nat'l Conference of Labor, Socialist & Radical Movements.

¹ See testimony of Prof. Damon beginning on p. 2787 post.

Frederick Lynch: clergyman exec. comm. Amer. Neutral Conference Committee; treas. Emergency Peace Federation; exec. comm. Amer. Union Ag. Militarism; interested in Nat'l Civil Liberties Bureau; connected with Leagues of Nations & Subject Nationalities.

Judah L. Magnes: rabbi; org. comm. People's Council of Amer.; dir. Nat'l Civil Liberties Bureau.

Theresa T. Malkiel, of New York: Exec. board Woman's Internat'l League; member, N. Y. State Branch of Woman's Peace Party; exec. com. Liberty Defense Union.

James H. Mamer: pres. Penn. Federation of Labor; org. com. People's Council of Amer.; exec. com. Amer. Union Ag. Mil., gen'l comm. Liberty Defense Union.

Miss Tracy Mygatt, of New York: Member Overflow Meeting Committee; Friends of Peace; exec. comm. Bureau of Legal First Aid; assoc. editor Young Democracy.

Scott Nearing: formerly asst professor of Univ. of Penn.; exec. com. Amer. Union Ag. Mil.; Liberty Defense Union; org. comm. People's Council of Amer.; Intercollegiate Socialist Society; indicted under espionage act.

Kate Richards O'Hare: Was chairman of comm. on War and Militarism at nat'l convention of Socialist Party held in St. Louis, Mo., Apr. 7/14; which reported the anti-war resolution; represented Amer. in Intern'l Socialist Bureau at People's House in Brussels; member of exec. comm. Liberty Defense Union; now serving term of imprisonment for violation espionage act.

James P. Warbasse, M. D.; Brooklyn N. Y.: Member American Union Against Militarism, National Civil Liberties Bureau, Peace Without Victory League.

Harry F. Ward, Union Theological Seminary, New York: Member of Collegiate Anti Militarism League, Fellowship of Reconciliation, Liberty Defense Union.

Donald Winston of New York: Member National Committee of Collegiate Anti Militarism League, Executive Committee Fellowship of Reconciliation. Active in organization of Young Democracy; Connected with Union Theological Seminary.

L. Hollingsworth Wood: Lawyer, New York City; Treas. of American Union Against Militarism; Chairman National Civil Liberties Bureau; Treas. Fellowship of Reconciliation.

Eugene V. Debs: Socialist; Now serving Sentence for Violation of Espionage Act; Member Organizing Committee, Peoples Council of America, General Committee Liberty Defense Union; Member of National Conference of Labor, Socialist and Radical Movements.

Prof. Harry A. Overstreet: Prof. in College of City of New York, Philosopher; Member of Emergency Peace Federation, Collegiate Anti Militarism League, Intercollegiate Socialist Society, League of Free Nation's Association.

Judge Jacob Panken: Judge Municipal Court, New York City; Pres. of "Forward," radical Jewish Newspaper; Member of People's Council of America; National Conference of Labor, Socialist, and Radical Movement.

Elsie Clews Parsons (Mrs. Herbert), of New York: Member Peoples Council of America, American League to Limit Armaments.

Amos R. E. Pinchot: Lawyer; Member American Neutral Conference Committee, American Union Against Militarism, Liberty Defense Union, National Civil Liberties Bureau.

Gilbert E. Roe: Lawyer. New York City; Atty. for National Civil Liberties Bureau. Interested in Peoples Council of America.

Rev. Harold L. Rotzel, Boston, Mass.: Member of League of Democracy; Control, Fellowship of Reconciliation, League for Permanent Peace; Interested in defense of I. W. W.; Connected with National Civil Liberties Bureau.

Rev. John N. Sayre, Suffern, N. Y.: Member of Fellowship of Reconciliation; National Civil Liberties Bureau.

Joseph Schlossberg: Sec'y of Amalgamated Clothing Workers of America; Member Peoples Council of America, Liberty Defense Union, National Conference of Labor, Socialist and Radical Movements, Young Democracy.

Nathaniel Schmidt: Prof. Cornell University; Studied in Germany; Member of Intercollegiate Socialist Society.

Vida D. Scudder: Prof. at Wellesley College; Member American Neutral Conference Committee Intercollegiate Socialist Society; Writer on Socialism & Literature.

Prof. Clarence R. Skinner: Prof. Tufts University; Member of Collegiate Anti-Militarism League; On Editorial Staff Young Democracy.

Helen Phelps Stokes, of New York: Treas. National Civil Liberties Bureau; Vice Chairman Liberty Defense Union; Member of Council of Fellowship of Reconciliation; Executive Committee Intercollegiate Socialist Society.

Rev. Sidney String, Seattle, Washington: Member of Peoples Council of America, Liberty Defense Union, Fellowship of Reconciliation.

Rev. Norman M. Thomas, of New York: Member American Union Against Militarism, National Civil Liberties Bureau, Liberty Defense Union, Fellowship of Reconciliation; Editor World Tomorrow; National Conference of Labor, Socialist and Radical Movements.

Alexander Trachtenberg, of New York: Member of Collegiate Anti-Militarism League; Director of Dept. of Labor Research Rand School of Social Science; Contributor to The Liberator, successor to "The Masses."

Rev. Irwin St. John Tucker: Clergyman and Editor, Chicago, Ill.; Managing Editor "Christian Socialist"; Member of Peoples Council of America; Chairman Peoples Council of Chicago; Convicted of Violation of Espionage Act.

Oswald Garrison Villard: Born in Germany; Editor of "The Nation"; Member American Neutral Conference Com., American Union Against Militarism, American League to Limit Armaments, Fellowship of Reconciliation; Interested in National Civil Liberties Bureau.

Lillian D. Wald: Sociologist, of New York; Member American Neutral Conference Committee American Union Against Militarism; Civil Liberties Bureau, American League to Limit Armaments, Woman's Peace Party of New York.

(The following letter from Mr. Stevenson is here, by order of the chairman, printed in the record, as follows:)

[Hart, Stevenson, Walton & Senior, counselors at law. Merwin Kimball Hart, Archibald Ewing Stevenson, Daniel Day Walton, Abram Griffith Senior, William Orcutt Hubbard, Lemuel Bannister. Warren C. Tucker. Cable address, Senhart. 20 Nassau Street.]

NEW YORK CITY, January 31, 1919.

Hon. LEE S. OVERMAN,

Chairman of the Sub-committee of the Judiciary Committee of Senate,
Washington, D. C.

DEAR MR. SENATOR: I noted with some embarrassment a statement published in the New York papers attributed to Secretary of War Baker relating to my relations to the Military Intelligence Division, United States Army. In order that the record may contain a statement of my relations I wish to state the following facts: At the request of Lieutenant Colonel Nicholas Biddle, in command of the New York Office of Military Intelligence, and after conferences with Major Hughes in Washington, a propaganda section was established in New York on the 28th day of October, 1918, which was known as a subdivision of M. I. 10. A commission of captain in the Military Intelligence was offered me but with the signing of the armistice I never filed my application for a commission; however, I was duly appointed an agent of Military Intelligence and received a certificate to that effect signed by Brigadier-General Marlborough Churchill, Director of Military Intelligence. The number of this card was 650, to which was attached my photograph and the seal of the War Department. A brief history of the origin and activities of this section may be found in the files of the Military Intelligence at Washington, D. C.

Yours very truly,

ARCHIBALD E. STEVENSON.

AES:A Enc.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

THURSDAY, JANUARY 30, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at the call of the chairman at 3.15 o'clock, p. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

President: Senators Overman (chairman), Wolcott, Nelson, and Sterling.

TESTIMONY OF PROF. LINDSAY T. DAMON, BROWN UNIVERSITY, PROVIDENCE, R. I.

(The witness was sworn by the chairman.)

Senator OVERMAN. Well, sir, we will be glad to hear whatever you want to say.

Mr. DAMON. If I, gentlemen of the committee, seem to show some warmth in the form of my statement, I think you will understand that the situation calls for some warmth if one is unjustly on the list.

Whatever is done here to-day, the black mark that has been put against me can not be permanently erased everywhere. It may be wiped out in certain places. Assuming as I do that I shall go from this room with a statement that I am not properly on such a list, it is yet impossible for me to escape the consequences in whole, in their entirety, of having once been associated with that list.

Senator NELSON. Associated with whom?

Mr. DAMON. These pacifists, whose names you have published.

Maj. HUMES. May I interrupt you, for the information of the committee. A careful search of the record of the committee fails to disclose the name of Prof. Damon any place. We can find no mention of his name. I feel safe in saying, from the careful search that has been made, that his name has not been mentioned in connection with these hearings. We have at least been unable to find anything of it in the record, and it is not on the list that was submitted by Mr. Stevenson at the request of the committee.¹

Senator WOLCOTT. How did you get the impression, Professor, that you were on the list?

Mr. DAMON. I was on the list as published in the newspapers. There is no doubt about that. I am here in Washington, I may say, in the employ of the War Department, and have been in the employ of the War Department for some five months.

¹ See p. 2783 for name of Mr. Damon in list.

After a hard day's work with my committee, I went home and tumbled into bed, and found this telegram from the Providence Journal:

Will you wire us at our expense to-night statement concerning inclusion of your name in Stevenson's list. We have protest signed by Brown faculty headed by Dr. Faunce.

PROVIDENCE JOURNAL

I got up and went over to the Cosmos Club, and hunted up the paper of the day, and sure enough my name was there, along with the name of Mr. Debs and a gentleman now in prison named Baldwin. I was listed with the others, and under my name was one statement: "Lindsay T. Damon, professor, Brown University, Intercollegiate Socialist Society."

I wrote a telegram to the Journal, which, if you care to hear it, I will read, and went home considerably wrought up, and the next day chased into other newspapers and found the list was there; including my name—that is the point, of course. My name is in the public print all over the country as a part of the group that you have been investigating and on whom the claim lies not only of pacificism, but of pacificism during a time of war, and presumably with the pro-German taint. Against them that charge lies in effect whether it was intended or not.

Senator OVERMAN. They had you as charged with being a member of some secret society?

Mr. DAMON. They did.

Senator OVERMAN. Intercollegiate what?

Mr. DAMON. Intercollegiate Socialist Society.

Senator OVERMAN. You do not belong to any such society?

Mr. DAMON. I did 8 or 10 or 15 years ago. I joined such a society because of my interest in what we may roughly describe as social betterment.

I have no apologies to make to this body or to any other body for the kind of ideas on social organization that I have. They are my own affair. But, as a matter of cold fact, I have had no connection with that society, practically at all. I never attended a meeting. I can not remember ever having paid dues, and the last time I saw anybody connected with that society was when he came into my office about 1915, and asked if I would support the Socialist principles and the Socialist ticket in the coming presidential campaign. I told him that I certainly would not, and that for various reasons I was through with that kind of endeavor. I do not suppose it is necessary to go into my reasons, though, if you care to have them, you can. At any rate, there ends the story—the full story of my association with that particular society.

Senator NELSON. Did you publish or write a book during the period of our neutrality?

Mr. DAMON. The only time that my name came into print during the time of our neutrality, so far as I know, was when Dr. Morton Prince, of Boston, tried to get a list of New Englanders—well, who are in some degree known—to sign an address of sympathy to the French people. I am one of the signatories of that document. I know you will remember that it went as far as one could go without violating the laws of neutrality; and immediately scurrilous con-

communications from Germans, anonymously, began to appear in my mail. So far as I know that is the only time that my name has appeared in print, with anything above my signature, since 1914.

Senator NELSON. Some gentlemen you know there are, connected with our colleges, who have published books that have been of a mixed character and that got them into trouble.

Mr. DAMON. I am not of that class. As a matter of fact, Senator Nelson, I am convinced that we must have a large military establishment in this country, and at this moment there is in Senator Chamberlain's office, unless it was lost in the mails, a long letter from me advocating the future use of the American colleges in the training of large numbers of officers. My record is perfectly definite on that point. I wish we might have a league of nations, with the force to enforce its decrees, but I do not believe we shall get it. In the meantime I believe that this country should stand armed. If you can make pacifism out of that, why, you are welcome to.

Senator NELSON. You believed, then, from the beginning, that the war on the part of the Government was a just war?

Mr. DAMON. Senator, if you will examine my classes at Brown University you will find that from the beginning of the war I preached in season and out of season that it was our duty to go into the war, and that life was hardly worth living if the German hordes conquered; that it was our duty to go in at once.

Senator NELSON. And help France and England and Belgium?

Mr. DAMON. Exactly. I suffered some shame at our failure to go in the first two years of the war. That is demonstrable by proof. It is further demonstrable by proof that a very large number of men who came in my hands immediately volunteered for military service when we did go to war, and that previously many had gone to France.

Senator NELSON. My understanding is that your institution was on the right side, on the Lord's side, all the way through.

Mr. DAMON. I believe it was, sir. For my own personal record, he does not like to say that he tried to enter the military service and was turned down, but it is true in my case.

Senator OVERMAN. Now, there is no charge against you except that you were in the papers as a member of some society. That is all that was said.

Mr. DAMON. Well, that was all that was said, but I was in a list headed "Pacifists," and we know what "pacifist" means in the country to-day. It means a man, presumably, who discredited the course of the country in the war, or its entry into the war, and presumably with a taint of pro-Germanism.

Maj. HUMES. Mr. Chairman, it seems that the record that was submitted to us, the typewritten copy of the hearing as submitted to us by the reporter, is not a correct copy of the list that was submitted by Mr. Stevenson. In the list submitted by Mr. Stevenson this name does appear: "Lindsay T. Damon, member of Intercollegiate Social-ist Society."¹

That is all that appears there. In the transcript of the proceedings that was accidentally omitted by the reporter, and that is why we could not find it.

¹ See p. 2788 for name of Mr. Damon in list.

Maj. HUMES. It has no heading at all.

Senator OVERMAN. What is just preceding his name?

Maj. HUMES. The record of another man, "Evans Clark: formerly instructor of economics at Princeton University; head of Bureau of Research, and lecturer at Rand School of Social Science; member Intercollegiate Socialist Society" and then follows LITTON T. DAMON, and so forth, and following that, "Henry W. L. Damon."

Senator OVERMAN. Is there anything said in the record to the effect that he was a pacifist?

Maj. HUMES. No mention except that Mr. Stevenson was requested to prepare a list of the organizations with which these various persons, and especially persons connected with educational institutions, were connected.

Senator OVERMAN. That is my recollection, that professors of colleges were put in there at the request of some member of the committee, and those connected with certain societies, the societies named, not saying that they were pacifists or anything else. This is how, I suppose, Mr. Damon's name got in there.

Mr. DAMON. Well, pardon me, Senator, if I do not quite see the fact that I belong to this or that society should be brought up in any public inquiry. I do not really see why I should be subject to any inquiry on the basis of a membership in any such society or that. And I feel—I say it quite respectfully—that had due care been exercised in the process, there should not creep from the purview of the investigation the name of a man who so far as he could has tried to do his whole duty by the United States. My name has been brought forward in an association which has, very frankly, done me some injury, and I feel that I am entitled to ask from this committee a definite statement on the record that my name is not in the records of this committee as one subject to a charge, or implied charge, from this committee. I feel that I am entitled to have a record of that vote, and I feel that I am entitled to ask that so far as possible the same publicity be given to the defense as was given to the charge. I submit that this is ordinary business justice which I am entitled to.

Senator STERLING. I do not know whether a motion is in order. I have heard Prof. Damon's statement, and I have been so convinced with it, and so convinced of the fact that he is free from pro-Germanism or pacifism, that I move that it is the sense of this committee that Prof. Damon is not subject to any such charge.

Senator WOLCOTT. Mr. Chairman, I would not oppose that motion. I am frank to say that if I had had my name appearing in that list I would think it would be very reasonable for me to ask for judgment of the committee on it. But I want to call your attention to this fact. We are about ready to get ourselves into a great deal of difficulty. If we undertake to pass judgment on one man in this list, we must, under such circumstances, when called upon, be ready to pass judgment on every other person. Now, when this list was suggested, members of this committee may recall that I had great doubts of admitting such a list, anticipating such a dispute in an individual instance, and we were assured by the witness, Mr. Stevenson, as I recall, that the appearance of a name on that list argued nothing so far as any interest hostile to the United States or dis-

any wise to the United States could be involved. That list has gone out to the country, I think, with an atmosphere of misapprehension and misunderstanding about it. It was never meant to be a list to cast disrepute upon anybody, I think. The point I make is that if such a motion is passed, we would have to argue out each individual case. How many names are there in that list?

Maj. HUMES. 62.

Senator STERLING. I was not here at the time that list was introduced in evidence. I do not know what names it included, and I have not heard the testimony with reference to any particular one.

Senator WOLCOTT. It may be remembered by those members of the committee who were here that there was a suggestion emanating from some source that the names that were objectionable might be taken out. But it was finally decided to leave them all in, with the understanding that it meant nothing disloyal or hostile to our interests.

Senator OVERMAN. In the morning when this matter was proposed, I ruled these names out, but after coming here in the afternoon Mr. Stevenson began to discuss these different societies, referring especially to the college professors, and it was understood that there was no charge against anybody; that there was no charge made against any of these societies.

It was felt that the pacifist societies and socialists and I. W. W. societies should be published with the names of members, and we decided to do that, without making any charge against anybody. Whether they were disloyal citizens or not, they were members of certain societies. I suppose Mr. Stevenson just put in the name of Mr. Damon because he was a member of the socialist society. I suppose that must be the reason, and he has never charged you with disloyalty.

Mr. DAMON. Not in set terms, Senator, but in actual matter of fact everybody knows that the term pacifist has to-day a very different significance than what it did have.

Senator OVERMAN. There is no charge of your being a pacifist in this record.

Mr. DAMON. It is in the papers.

Senator OVERMAN. I read what was said there. They did not charge those men with being pacifists. They are members of certain societies in this country, college professors and others, members of socialistic societies, whether they are against the Government or for it. They just published the name; that is my recollection of the record—that you were a member of a society—and it seems that you were a member of that society. They are not charging you with anything.

Mr. DAMON. I must confess that that seems to me to be an avoidance of responsibility, Senator. Pardon me if I put it this way, but I am the man who is injured. I am the man who has got to stand in the future the results of this thing. I am the man who in a doubtful case will be subject to the statement that "this man was in the list of pacifists and pro-Germans," and that came to the public in some way from this committee. And you say that you do not wish to pass judgment. You did pass judgment when that list was given out.

Senator WOLCOTT. You are entirely mistaken there. This committee undertook to steer a course that would prevent it from passing judgment on any man, and if you will read the record when it is published you will see that it was the understanding that these names—that the publication of this Stevenson list—should have no significance at all so far as any hostility to the country or anything favorable to Germany might be concerned.

Mr. DAMON. Was that rubric put out with the list? It was in the papers.

Senator WOLCOTT. You must understand that the committee did not put this list out. The newspapers may have gotten a misapprehension—I do not know—but the committee has not condemned anybody, and the understanding was when this witness Stevenson commenced to testify that nothing was to be inferred from the mention of a name as he went along.

Now, I quite sympathize with your position. If I were in your position I would want the same vindication, I confess, at the hands of this committee.

Senator STERLING. Mr. Chairman, I appreciate what has been said by Senator Wolcott in regard to the motion and the possible effect of a motion such as I have made, and because of that, I think I shall withdraw the motion and content myself with the expression of my individual opinion in regard to it.

Senator NELSON. That is what I had made up my mind to do. I have thought it to be a good plan for each of us to express our opinion on the record and let it go at that.

Senator OVERMAN. Professor, I think giving a statement by each member ought to be satisfactory. We do not want to do anything but justice.

Mr. DAMON. Well, I confess I am not satisfied. I did not intend to bring this point out, but we might as well go into the matter. I am at present a responsible agent for the United States Government in settling claims accruing against the Government from New England colleges on account of the S.A.T.C. If you bring me with a smirch on my character, how can I handle those matters with propriety, not in good standing in those colleges?

Senator STERLING. Professor, with the statement here a matter of record giving the opinions of the members of the committee, I think ought to be sufficient, it seems to me. I made the motion on the impulse of the moment because I was impressed with your statement, but I can perceive the difficulty suggested by Senator Wolcott, namely that there have been a great many names brought before this committee, and the condition described might arise at any time with reference to anyone and the committee would have to go into the matter again and again, receiving testimony.

Mr. DAMON. Senator, I see your difficulty in point of lack of time.

Senator STERLING. But now it seems to me that with your statement made clear as it is, and I think convincing, that a statement of the members of the committee is as far as we should go. I think this because I introduced the subject.

Mr. DAMON. I thank you for introducing it. Personally I think that if any individual is aggrieved by having his name on that list, this committee can hardly escape the responsibility of hearing.

rebuttal. I do not see how you can escape that, however much me it takes.

Senator WOLCOTT. The committee is perfectly willing to hear everything you want to say and have it spread on the record.

Mr. DAMON. And may I have a copy of it?

Senator WOLCOTT. Yes, sir.

Mr. DAMON. Can there not be incorporated in that a statement that the Captain made that my name never was in that record?

Senator OVERMAN. He made a mistake about that.

Capt. LESTER. The name was not mentioned in the official record returned to us. It now appears that it was on the hand-written list that was prepared by Mr. Stevenson and given to the stenographer, who left the name off the list.

Mr. DAMON. He looked for the name and could not find it?

Senator WOLCOTT. The point is that the witness Stevenson prepared this list in longhand, and he handed it to the stenographer, and the stenographer wrote up on the typewriter the official record of the testimony, and in copying that list the stenographer apparently failed to copy your name from the list.

Mr. DAMON. Failed to expunge it from the official list?

Maj. HUMES. He did expunge it. Your name is not in that list.

Capt. LESTER. That is, the list the stenographer sent up.

Senator OVERMAN. Your name is on the original list, but the stenographer omitted to copy your name.

Mr. DAMON. I see.

Senator WOLCOTT. Now the newspaper reporter took his copy of the list from the longhand sheet, which contains your name.

Mr. DAMON. In short, the Senate Committee had my name, and had dropped the name, but by some lack of clerical care the name remained in such a form that it got to the reporters as well as the objectionable persons. That is it, is it not, Senator?

Senator OVERMAN. No, that is not it. Mr. Stevenson handed in the list of names and your name was on the list.

Mr. DAMON. Can I make myself clear? I am boiling with indignation that Mr. Stevenson ever used my name at all in any connection here. Is it not possible for me to say, with due respect to everybody concerned, that if this kind of inquiry into private names is permitted, in the last analysis there is the deepest kind of danger to freedom of thought and freedom of speech in the United States. There is more at stake than the fortunes of an individual man.

Maj. HUMES. Do I understand from that that your position is that this committee can not with propriety inquire into these actions of individuals or groups whose course is one of antagonism to the form of Government in this country? In other words, that this committee can not with propriety question the activity of the anarchists or bolshevists, that advocate violence?

Mr. DAMON. Certainly not. Those things are too destructive of the fundamental law in the United States, and a discussion that contravenes the fundamental law of the United States, or that results from a lack of loyalty to the institutions of the United States, should in my judgment not be tolerated, but I have never taken part in any such discussion at any time, at any place, in my life.

Maj. HUMES. Those are some of the private opinions that you have, but the committee has no right to inquire into.

Mr. DAMON. Possibly I went further than I meant. But there is a very deep question involved there, Major. I am sorry I brought it in in that way, in that form. Gentlemen, I am suffering somewhat under this matter, and I may have expressed more than I meant. I wish a clean record in this matter.

Senator WOLCOTT. You are entitled to an expression in some form, I think. I do not know but that it would be well for this committee to go into executive session and see if we can not do something to straighten this list out that is disturbing people so much. I have some suggestions that I would like to submit to the committee now, and it is not worth while to do so in open session.

Senator OVERMAN. We will have an executive session. Have you anything more to say?

Mr. DAMON. I should like to know the outcome. May I stop now if the session is over?

Senator OVERMAN. As soon as the session is over we will have an open session.

(Thereupon, at 3.50 o'clock p. m., the subcommittee went into executive session.)

At 4 o'clock p. m. the subcommittee resumed its open session.

Senator OVERMAN. Professor, in the opinion of this committee there is nothing in this record that shows that you are a pacifist, that you are a disloyal citizen, or in any way un-American.

Mr. DAMON. I thank you, Senator, very deeply. May I have my record to that effect?

Senator OVERMAN. You will have a copy of the record when it is published.

Maj. HUMES. Do you mean a copy of the stenographic record or a copy of the record when it is printed?

Mr. DAMON. I should like a copy of what the Senator has just announced, and the withdrawal of my name from the list. I understand that it was the committee's intention to have my name in the list, and it was a stenographic error that I was not in the list.

Maj. HUMES. That was the explanation I made, that it was a mistake of the stenographer in copying it.

Mr. DAMON. Now, I should like my name withdrawn from the list.

Senator OVERMAN. Why are you not satisfied?

Senator NELSON. You are asking too much.

Senator OVERMAN. You ought to be satisfied with that statement.

Mr. DAMON. Yes; I will be satisfied. I do not want to make a trouble. If that may be spread on the record and given as much publicity as the other statement.

Senator OVERMAN. I hope the newspaper men will publish it, and it will be printed in the record, certainly.

Mr. DAMON. And if I may have a copy of the record of my vote—

Senator STERLING. What vote?

Mr. DAMON. Of the statement that the committee has just made to me.

Senator NELSON. The stenographer will give you a copy of the statement.

Mr. DAMON. That is what I should like.

Senator WOLCOTT. The stenographer can make a certificate for you that that is a correct copy of the record.

Mr. DAMON. I should like to have it.

Senator WOLCOTT. You can arrange that with the stenographer.

Mr. DAMON. Thank you. I understand the matter is over so far as I am concerned.

Senator OVERMAN. Yes.

Mr. DAMON. I thank you for your courtesy.

Senator OVERMAN. Are there any other witnesses?

Maj. HUMES. We would like to submit for the record some data in connection with the Hans Liebau Labor Bureau which we discovered, and copies of the cablegrams showing that it was financed by the German Government to the extent of \$25,000.

Senator NELSON. What is that, Major?

Maj. HUMES. The Hans Liebau Labor Bureau, the purpose of which was to get men employment outside of munition factories, and to keep them from taking employment in munition factories, and these reports cover the history of the organization.

Senator NELSON. They show where the money came from?

Maj. HUMES. They show where the money came from. Also we submit a letter that was captured, a letter of Capt. Boy-Ed's, showing his connection with this organization in the United States, and dismissing it and several other of his activities while in this country.

(The documents referred to are here printed in the record as follows:)

DOCUMENT No. 8.

TRANSLATION.

Document: To The Royal Prussian War Ministry, War Bureau, Berlin.

Date: 29/12/1916.

Captured.

Under the circumstances, the considerations are decisive which induced me to bring the "Labour Reference for German subjects" ("Arbeitsnachweis für Reichsdeutsche"), now "Worker's Help" ("Arbeiterhilfe") into being.

During the transformation which took place in the Spring of 1915, in the American industry, when it became a war industry of every branch, which only worked for the Entente, it seemed worth giving German subjects a "Labour Reference" to industries which worked entirely for peaceful objects.

This step was at one time desirable upon purely moral grounds as it paved the way for return to the "Heimat" (? Home interests) which was de jure possible when actively engaged upon war consignments for the enemy.

Moreover—and that was the principal aim—under the name of "Labour Reference," it was possible to carry on an extensive propaganda in the war industry, and thereby withdraw from these industries many useful and good sources of labour.

As also communicated to the Imperial Ambassador, the value of the undertaking lies in the positive numbers of the workers taken over in the enemy industries, than in the fact that the Imperial Government has thoughtfully considered the members of its State, in the conflict of conscience between maintaining their living and their national obligations, also in times of serious tension with the Union.

In this matter, I have on several previous occasions ventured to report that the brusque contrary attitude taken by the Imperial General Consulate, New York, was always incomprehensible to me.

The proof that the undertaking has found the approval of a wide circle of German-Americans, is seen by the forthcoming voluntary contributions.

It is very regrettable, that the prospect of the assistance of the Imperial and Royal Government offered me at one time by His Excellency von Dumba, has not been rendered.

Some of the reasons for the "Workers Help," mentioned at the outset—especially for propaganda—cease to-day on political considerations. To-day the measure is without influence on the war industry.

Therefore the K. M. should have no interest in the maintenance of further payments.

On the other hand, I embrace the opinion of the Imperial Ambassador, that it is highly desirable to continue the enterprise in a "philanthropical sense," so that the Government should further place at disposal the small resources required. K. M.—Kriegs Ministerium?

DOCUMENT No. 9.

BERLIN, 2nd January, 1917

DEAR PAPEN:—Many thanks for your last letter, which I have not seen at the moment, and may consequently omit to answer single points. From the standpoint of the Foreign Office and the Imperial Chancellery, with regard to the action for defamation nothing has meantime altered or will alter, as I have just learned from Count WEDEL. I think it is therefore best for both of us, anyhow for the present, to refrain from any action, especially as the chief culprit is at the moment unattainable, and the letter has not yet reached those, whom it had any prospects of reaching.

It would very much interest me to see A's (Albert) letter if you see it. I received yesterday officially an essay of his on the method of conducting the U-boat war together with an appreciation from him to his present Chief.

With all my friendly respect for A. which you are aware of, I could not divest myself of a feeling of distress as I read. The appreciation and the work, which covers the whole question from the purely naval side in a casual, unprofessional fashion, made—I cannot help myself—an impression of armchair criticism.

He lauds himself, flatters his new Chief, and praises even the Chief of the staff, whom he so often advised in Washington!

With particular humour, did I notice in the work, the sentence "that soon as a war with Germany had been decided upon in the United States the German-Americans would be the first to assure the Government of their absolute loyalty."

A. calls himself at the beginning of the letter an absolutely trustworthy citizen of the State, unprejudiced by American circumstances. On the other hand you will remember that our mutual friend K. (Koch) who with his adherents also purported to know the United States most accurately, told a revolution in the event of a declaration of war! I personally always took men and things with a very large grain of salt as you remarked in New York, and shall continue on this principle—as I flatter myself—in the interest of the affair.

It was perfectly natural that the Entente declined the peace offer. Their acceptance would unquestionably have been regarded as an admission of defeat.

It is also psychologically clear and proper that they refused the offer harshly and brutally, for otherwise the Entente Governments could not have faced their own peoples.

They were obliged to resurrect an anger, by fresh incitements of words and lies, which cannot be as in the case of our own people, as one, because the inward moral incentives thereto are lacking.

It is a matter for delight to me that one can regard with great confidence both our land and naval conduct of the war—gladly though I should have seen the war speedily ended.

Heartiest greetings to you and your splendid troops for the New Year. I hope you will be able to carry out your intention of coming home next year.

Always your,

(Sgd) Boy-E

P. S.—I enclose a copy of the "Berliner Neuester Nachrichten" on account of the article by Otto Eichler.

DOCUMENT No. 15.

Abschrift zu No. 219.17. Geh. A. 8.

answartiges Amt

640 II.

Nr. 2142.

auf das Schreiben vom 5. d. M.

v. 14. 17. geh. A. 8.

BERLIN, DEN 27, JANUAR, 1917.

TRANSLATION.

The Imperial Ambassador in Washington has been empowered to remit support for the second year out of the funds of the Foreign Office to a total value of \$25,000 to the "ARBEITERHILFE" ("Workmen's Aid") of New York and in the neighbouring places.

Report made by L. S. Perkins; place where made, New York City; date when made, May 21, 1917; period for which made, May 21, 1917.

Title of case and offense charged or nature of matter under investigation: In re Hans Liebau, German and Austro-Hungarian Activities—Translations.

Statement of operations, evidence collected, names and addresses of persons interviewed, places visited, etc.:

Copy of this report furnished to New York Office.

On April 7, 1917, the files of the Austro-Hungarian and German Labor Bureau of Hans Liebau, 136 Liberty street, were brought to this Office for examination. At the request of Division Superintendent William M. Coffey I have carefully gone over these papers and translated such as seem to be of any importance in the investigation as to the methods pursued in running said Bureau. Between 1,000 and 6,000 letters and similar papers, mostly in German, were read; a number of applications were in Hungarian, Croatian and Ruthenian, and a few in Polish and Rumanian, but in each case a translation in German had been provided, except that the answers of the Bureau in Polish were not translated. These answers, however, were all very brief and appeared to be of a perfunctory character not important to this Office. The examination included all of the correspondence of the various branch offices at Pittsburgh, Bridgeport, Chicago, etc.

This examination shows that Liebau, or his subordinates for him, started out with the intention of coercing German or Austro-Hungarian subjects, working in munition factories on material intended for the Entente Allies, to leave such employment by threatening them with punishment under the German Imperial Criminal Code, but this period of coercion was of short duration, apparently not extending beyond the fall of 1915. Then "moral suasion" was tried. The letters indicating coercional methods are translated first, and especial attention is invited to the letters to "Mrs. Stuhl," Nos. 32 and 366, August 1 and September 7, 1915, in which an evident attempt was made to frighten a munition worker away from the factory where he was employed, the second letter following his failure to leave his work or respond to the first warning. Liebau's letters to Philip Probstel (485) and to Erich Pohl (450) are in the same strain, but milder, as are also letters 552 to Eugene Schmieder, and 461 and 491 to same, and 570 to Rudolf Schmiedes. Numerous letters of Liebau to publishers of Hungarian, Ruthenian and Polish as well as German newspapers show his activity in advertising the work of the Bureau and the attitude of the Central Powers toward work in the munition factories here by subjects of those governments.

Hundreds of letters from applicants for positions or from contributors of funds showed that "Fatherland," George Sylvester Viereck's publication, has given them the first information as to the activities of the Bureau and of the "treasonable" character of work in the American munition factories. The New York "Staats-Zeitung" was a close second as a quoted authority on these matters.

The "Rundschreiben" of Captain von Papen, or circular letter designed to promote the work of this Bureau, referred to by Liebau in his statement to me, cannot be identified among all this mass of papers, unless it is the long letter which appears to the number of perhaps more than 100 copies, in English

and German, which in the first paragraph states that working for the factories for material for the Allies is high treason, etc. This circular is generally sent to large firms with the request that they come to the aid of the bureau with contributions of money. Many letters accompanying large and small contributions of money were found, from large firms in New York and elsewhere. Liebau seems to have kept strict account of receipts and disbursements, although this point can best be covered by an investigator familiar with that sort of business. The connection of von Papen and Bernstein as well as that of Dr. Karl O. Bertling, with this Bureau, is fully established in these papers. Several large contributions entered in the receipt book as "anonymous" indicates the actual participation of still others of prominence.

The following letter (No. 150), addressed by Liebau under date of August 18, 1915, to the Cushman Chuck Co., Hartford, Conn., is one of more than 100 appearing in the files as having been sent to prominent firms, and sets forth the objects of the Liebau Bureau and the methods employed in its work.

"By a recent communication of the Imperial German Government attention of German subjects in foreign countries was called to the fact that participation by them in the manufacture of war supplies for the enemies of Germany constitutes a criminal offense; which circumstance led to the establishment of this Office with a view of trying to find employment for those who have given up or will give up their situations in munition factories, in order to keep their conscience clean and honor bright.

"Aware of your well-known attitude in the question involved, we believe you will also take an interest in such workingmen as will not lend themselves for the purpose of prolonging the present war.

"A great number of applications already received show the urgent necessity of finding work for numerous well-trained men, principally mechanics of all kinds.

"As our mediation is rendered free of charge to employers and employees, you may be sure of obtaining any number of well qualified men by letting us know how many and what kind of vacancies you may wish to fill.

"Under the circumstances the munition factories are paying very high wages, a fact which will be sure to induce many men to shift over to them, thereby creating vacancies which should appropriately be taken up by those who resign from plants producing war materials.

"Hoping to be honored by your assistance of this humane and excellent enterprise, I remain, Sirs, etc."

LIEBAU TO STUHL.

(Letter 32.)

N. Y., Aug. 11

Mr. STUHL,

Care of Caloris Co., Millville, N. Y.

It must have been unknown to you heretofore that by remaining in the employ of the Caloris Company, where glass tubes are made for the manufacture of war material to the enemies of Germany, under paragraph 89 of the Imperial Criminal Code you are guilty of high treason and subject yourself to severe penalties, as was stated by the Imperial Chancellor in his recent pronouncement." Letter to Stuhl closes by calling attention to the establishment of the free employment bureau and to a question list enclosed. Stuhl is promised a position of which he "need not be ashamed."

A letter of the same purpose was on the same date (No. 33.) was sent to Franz Eck of the same place. On September 14, 1915 another letter was sent to Eck, then at 4422 6th ave., Brooklyn, telling him that he need not be concerned about the fact that he formerly worked for the Caloris Company.

On September 7/15 Liebau sent another letter (366) to Stuhl, in which reference was made to "your former fellow-workman, F. Eck, who gave up work at once when he discovered that the glass tubes he was making could be used in transporting gunpowder to the enemies of Germany," and the fact that said Eck had at once found another good position. The following paragraphs close the letter to Stuhl:

"As we have thus far had no answer to our letter of August 11, we call your attention to the seriousness of your position, and emphasize the fact that in entirely ignoring such warning you will subject yourself to serious trouble if you should ever return to Germany.

"We hope that you will now at once get in communication with us, unless you have in the meantime taken other steps to sever your connection with the Maloris Co.

"We assume that the other German subjects who have been working in the factories there have realized the sordid nature of your (their?) actions, and will report here as soon as possible. We will do all we can to provide other employment."

"FATHERLAND."

Reference was made to the issue of September 1, 1915, of "Fatherland" in which there was an advertisement about the provisions of the German Criminal Code covering the making or helping to make anything injurious to Germany or its allies.

LIEBAU TO ACKERMANN.

N. Y., Sept. 2, (1915).

Mr. JOSEPH ACKERMANN,
Providence, R. I.

In response to your letter of August 31, we call your attention to the fact that through continuing to work in a factory in which war materials are made for the enemies of Germany, you are unquestionably rendering yourself punishable, especially when another position is offered you from here.

We remind you that in the homeland, as here, all are compelled to make sacrifices that are not trifling, of which accepting temporary employment at reduced wages is among the smallest.

We will try to get you a situation in or near New York. In any event, it would be well for you to come and see us as soon as possible.

LIEBAU TO POHL.

Under date of September 19, 1915, Erich Pohl of No. 2640 East 55th Street, Cleveland, Ohio, wrote to Liebau that he was working for Van Dorn & Dutton of that city on automobile trucks intended for the Allies, and stated that he would like to know whether he was committing a criminal offense in so doing. At the top of this letter, in red pencil, is the notation: "Punishable; question-sheet," evidently made in Liebau's office. Under date of Sept. 21 the following letter (450) was sent to Pohl by Liebau:

"We have your communication of the 19th instant, and inform you that your activity brings you in conflict with the criminal code. Kindly fill out the inclosed question-sheet and return it to us. We will then do our best to secure a suitable position for you as soon as possible.

"In any event, by filing your application with us you are protected from all future unpleasantness."

Two other letters were sent by Liebau, under dates of Nov. 3 and 9, to Pohl, saying: "As I have heard nothing further from you, I assume that you have changed your employment. If this should not be the case, and you require assistance in this matter, please apply to our branch office, Mr. Fritz Baumgaertner, 9511 Euclid avenue, referring to me, whereupon every possible assistance will be given you."

(See also letters 461, 491, and 552, Sept. 21, Sept. 27 and Oct. 7/15, to Eugene Schmierer, Saginaw, Mich., and letter 570, Oct. 11/15 to Rudolf Schneider, 437 West 13th street, N. Y. City, all of the same character as the one to Pohl.)

LIEBAU TO PROBSTEL.

Sept. 24, 1915, Liebau wrote to Philip Probstel, 409 Heinrod street, Brooklyn, N. Y. (No. 485 letter) as follows:

"As we have heard that you are employed in one of the many factories which deliver war material to the enemies of Germany, we wish to call your attention to the fact that, according to the notice published in many newspapers, under Section 89 of the German Criminal Code you are guilty of treason if you are a German subject.

"This Bureau is ready to furnish other positions to those who voluntarily and through conscientious scruples give up such criminal and sordid employment."

LIEBAU TO WIENER.

(Letter 65.)

Aug. 13 17

Mr. FRANZ WIENER, 896 Congress ave., New Haven, Conn.

In response to your communication of the 8th instant, we inform you that the manufacture of guns which are not intended for the enemies of Germany, as, for example, sporting rifles, is of course to be regarded as high treason. But as you are evidently in uncertainty as to whether you are really engaged in harmless work, the propriety of your stay in the gun factory would appear at least to be doubtful. Inclosed find question-sheet, etc.

LIEBAU TO BANNER.

(Letter 540.)

Oct. 6 17

Mr. OTTO BANNER, Chief Eng. Turbine Dept.,
Ingersoll Rand Co., Phillipisburg, N. J.

Liebau told him he supposed he was familiar with Section 89 of the Imperial German Criminal Code, etc., as to the criminal responsibility involved in aiding the enemies of Germany and as to the exemption attached to an individual workman who does not aid such enemy by personally, directly or indirectly assisting in making war materials. Attention also called to the moral aspect of the situation.

Same to Otto Berner, 154 Washington st., same town, Letter 554, Oct. 7 17

LIEBAU TO LINDENHAYN.

(Letter 423.)

SEPT. 16 17

In the first paragraph of a letter to Lindenhayn of the Bosch Magnet Co. Brooklyn, it is stated that "in our lists we find that a mechanic, Franz Schmitt, has been employed on experimental work for the Sperry Gyroscope Co. Brooklyn at \$25 per week. Of course it is very desirable to find another for this man."

LIEBAU TO VOGELSANG.

(Letter 280.)

Aug. 26 17

Ludwig Vogelsang, 14 Chestnut street, Fitchburg, Mass., was informed by Liebau that in working in the lathe factory of Manning, Maxwell & Moore as an Austrian subject he was as amenable as a German subject to punishment for treason.

LIEBAU TO ECKARDT.

(Letter 569.)

Oct. 11 17

Franz Eckhardt, Box 185, Stiles, Pa., is told that he does not, under present circumstances, have to give up his position; "but this situation," continues Liebau, "would of course be changed as soon as your factory makes horseshoes again for the Allies."

LIEBAU TO MRS. BURLINGAME.

Carbon copy of a long letter in English, initialed "H. L." but not dated, to Mrs. Burlingame, Huntington, W. Va., describing as "high treason" the employment of Germans in factories where munitions of war are made for the Allies.

The foregoing are about all the letters found to have been written by Liebau savoring of coercion. The following communications indicate connections of Liebau with officials of the German government; also with Dr. K. O. Bertling and Dr. R. W. Kiessling, two Germans now interned on account of their activities. Dr. Bertling is known to have been very active in lecturing and canvassing for funds for the Bureau conducted by Liebau.

LIEBAU TO BERTLING.

(Letter 2585.)

Oct. 18/16.

Thanking Dr. K. O. Bertling, 43 Gramercy Park, for his valuable services in getting subscriptions for the Bureau, and especially for \$250 from Mr. Ahnelt. Tells Dr. B. he can help further in that way if he goes armed with a personal introduction from the Ambassador.

BERNSTORFF TO BERTLING.

Under date of November 20, 1916, Dr. K. O. Bertling, who then gave his address as No. 137 east 21st street, wrote to Director R. Christians (supposedly of a German theater) at No. 105 east 15th street in regard to some theater tickets, and added:

"I quote from the following personal letter of introduction from our Ambassador:

" 'IMPERIAL GERMAN EMBASSY,
" 'Washington, Nov. 4, 1916.

" 'Hereby I permit myself most warmly to recommend to you Dr. Karl O. Bertling, Director of the Amerika-Institute in Berlin. Dr. Bertling will take the liberty to lay before you some matters pertaining to the activities of the Central Bureau for German and Austro-Hungarian Workmen. This work, as well as the collection of funds for its further extension, are worthy of all sympathy.

" 'Dr. Bertling is authorized to receive contributions in any amount. Checks are to be made payable to "Hans Liebau, Treasurer."

" 'Yours, with special respect,

" '(Signed) J. VON BERNSTORFF.'

"As you will see, there is in this letter not a word about 'munition workers'; it relates solely to help for those workers (and through them their families) of the Central Powers who are in straitened circumstances, from the mechanic up into the ranks of the college-bred technician, engineer, etc.

"I deem it proper to bring this to your attention, in view of our previous efforts. Besides, I am proceeding on the proposition that in matters of this kind we should work together.

"(Signed) DR. BERTLING."

The foregoing letter was marked in the files as a copy.

GERMAN CONSULATE TO LIEBAU.

A number of letters from the German Consulate to Liebau arranging for places for Germans looking for work outside of munition factories.

PRINCE HATZFELDT TO LIEBAU.

November 7, 1916, Prince Hatzfeldt of the German Embassy wrote to Liebau asking him to find a young German (man) typewriter operator, efficient and reliable to work in the Embassy at \$75 a month, and offering to pay his fare to Washington. In another letter to Liebau, dated Nov. 23, 1916, Prince Hatzfeldt promised him to speak to "Herr Heleine" in New York about three candidates for work.

VON PAPEN CIRCULAR.

Under of August 18, 1915, (letter 168) Liebau wrote to the German Club, Pittsburgh, Pa., saying: "The Central Station, undersigned, sends you herewith a communication from the Imperial German Military Attaché" relating to finding vacancies for workmen, etc., and asked for its distribution as widely as possible.

KIESSLING TO LIEBAU.

On August 27, 1915 Dr. Kiessling wrote Liebau as follows: "Dear Mr. Liebau: I introduced myself to Herr von Papen this forenoon and the matter

has satisfactorily been put under way. Again I thank you for your kindness. Very respectfully, (Signed) Dr. R. W. Kiessling."

On Aug. 17 Dr. Kiessling wrote to Liebau asking for a position since he had been employed as clerk and chemist by the Dupont Powder Co. for years, but gave up the place; he knows 5 languages and worked in laboratories and patent attorneys' offices in Germany. He gave his address as No. 134 east 58th street.

On July 7, 1916, Dr. Kiessling, then at No. 489 Wilmot ave., Bridgeport, Conn., wrote to Liebau asking for employment, and in the opening paragraph of his letter, said: "In September of last year you were kind enough to put me in touch with Captain von P., after whose departure I worked here for Mr. Tauscher. This assignment closed on July 1." The remainder of the letter refers to the desire of Kiessling to find another position. Liebau referred him to Dr. Mannheimer, 41 west 51st street, and the latter referred him to Dr. Eckstein of the Prudential Co. of Newark.

TAUSCHER TO LIEBAU.

The following letter, dated July 7, 1916, written by Hans Tauscher to Liebau, throws an interesting side-light upon a Government witness who has been depended upon to give material evidence in the Tauscher case:

"The bearer, Mr. Wilhelm Schroeder, a German subject, was a Government witness against me at my trial, and because of the long investigation had lost his former position and all his means.

"As the statements of Mr. Schroeder have made a good impression on me and I am unable to give him a position, I will be very much obliged if you can help him in securing a suitable place as soon as possible. H. Tauscher."

Under date of July 12, Liebau wrote Tauscher that Schroeder had made a very good impression there, and he had placed him in touch with a contracting firm engaged in road building, where he would start in at \$100 per month with a prospect of promotion to \$150 per month, starting in within a couple of weeks. Liebau added—that in the meantime he had secured a place for Schroeder as cashier in a restaurant on Broad street. "So that Mr. Schroeder has been cared for temporarily in every possible way."

PRELEUTHNER TO LIEBAU.

On July 18, 1916, Julius von Preleuthner wrote from Bridgeport, Conn. to Liebau to secure him a position at \$3,000 and upwards" per annum. Liebau wrote again on October 20 of that year, that he wished to see Liebau regarding the former's differences with the Bridgeport Projectile Co. Liebau wrote him that he would see him on Sunday, October 22 at his (Liebau's) private residence, 300 west 49th street, Apartment 610. (Preleuthner was called upon by this Office to explain his connection with von Papen, which he did so in a statement made here to me soon after the outbreak of war between the United States and Germany. Nothing was developed where it could be held.)

UNVERZAGT TO LIEBAU.

April 26, 1916, Charles H. Unverzagt, who gave his address as 103 Fifth Avenue, wrote to Liebau that "I belong to one of that branch of German-Americans who are much more pro-German than those who speak German." Investigation by this Office has shown that Unverzagt has been running German propaganda at the above address under the fictitious name of D. F. Penington."

BRUNO ERLER TO LIEBAU.

Bruno Erler, who may be the same "Herr Erler" mentioned in the Sander-Wunnenberg correspondence as one who solicited funds for German propaganda, wrote to Liebau under date of February 23, 1917 from 32 Harrison Street, Port Richmond, N. Y. that his (Erler's) wife was suffering from pneumonia and asked for the loan of \$25; a request which Liebau promptly declined. From papers found in the Sander-Wunnenberg investigation, it would seem to be important to keep track of this man Erler.

LIEBAU TO BRUMDER.

(Letter 2597.)

Oct. 19/16.

Liebau wrote to William C. Brumder, Germania Building, Milwaukee, Wis., about Mr. Botschen, a young German from Milwaukee who twice tried to get to Germany as a stow-away, but was discovered each time. Liebau wished to secure a good and suitable position for the young German for the duration of the war "here in New York where he can in other ways be active in the service of the Fatherland," and desired to know of Brumder whether Botschen was an honest and unobjectionable man when he knew him. Liebau said he had convinced Botschen that any further attempts on his part to get to Germany would not be best for the German interest.

LAUTER TO LIEBAU.

Felix Lauter, in charge of the Bridgeport branch of the Liebau Bureau, wrote to Liebau on April 7, 1916 that he had made a contract with one Ludwig Wittig, an escaped Siberian prisoner, to give lectures in the Hungarian language about his experiences in Russian prisons, as he claimed to be the sole survivor among twelve fugitives who crossed the ice-fields of Siberia. Later correspondence showed that engaging Wittig was a mistake, as he had failed to turn over 35 per cent. of the proceeds of his lectures to the Bureau, as stipulated in the contract. In a former letter, written March 31, 1916, Lauter wrote to Liebau at follows: "A native American, Johnston M. Morrison, who had served in the United States Marine Corps and later worked on merchant ships plying between South America and England, as well as on ships for the British government, came to this office and said that he had been deported from England to America because he complained that on his last trip, on the high seas, cannon were mounted and he did not want to risk his life for England's 'insidiness.' A workman visited our office and complained that he had applied to certain firms for employment, but was always rejected when he told his name, which was KAISER. (It seems natural to us that certain business men should feel 'goose-flesh' at the sound of this name.)"

ZACHARIAS TO LIEBAU.

The letter from W. Zacharias, manager of the Pittsburgh branch of Liebau's Bureau, written to Liebau on May 7, 1916, evidently refers to one of a group of pro-German Hindus of this city, of whom Chandra Chakraborty and others have been apprehended in connection with pro-German plots. In one paragraph Zacharias said: "As a curiosity, we have to report that during this month a genuine Hindu, a student of medicine and hater of England, applied to our office for aid in his studies. He delivers lectures about his native land, illustrated with lantern slides, and because of the fact that in these lectures he shows up the dark side of British rule in India in lurid colors, the assistance formerly given him from that country has been cut off. If you can find a series of openings for this gentleman to give some lectures, it would please me personally to hear of it."

Correspondence in these files shows that Liebau gave notice to the various branches about February 6, 1917, that owing to the political situation between Germany and the United States, the Bureau would be closed.

Report made by L. S. Perkins; place where made, New York City; date when made, May 22, 1917; period for which made, May 19/17.
 Title of case and offense charged or nature of matter under investigation: In re Hans Liebau, German and Austro-Hungarian Activities.
 Copy of this report furnished to New York office.
 Statement of operations, evidence collected, names and addresses of persons interviewed, places visited, etc.

On April 7 of this year, Hans Liebau made a statement to me of his work in organizing and conducting his "Arbeiterhilfe" or workingmen's aid for German and Austro-Hungarian subjects who, through fear of punishment by their home

governments or through conscientious scruples, left munition factories where they were employed in making war material for the Entente Allies. In his statement he mentioned the aid given him by R. H. Otto, former German Consul at Kingston, Jamaica, in raising funds to carry on the work of the Bureau. Said Otto was visited by me to-day at his home, No. 1152 Martine Ave. Plainfield, N. J., and interviewed about the matter. He frankly stated he has been all along suspected, that nearly all of the money given by him to the Bureau came from the German Government, and was given him by Heinrich F. Albert, privy councillor of the German Government and fiscal agent for said government in this country. I took along Liebau's book of cash receipts and disbursements and called his attention to each item wherein his name appeared, and he declared it to be a correct record of his dealings with the Bureau.

R. H. Otto is a man of breeding and intelligence, intensely pro-German in course, and very likely did not tell me all he knew about this Bureau. He admitted personal acquaintance with von Bernstorff, von Papen and others, but denied that they had made contributions to the Liebau fund. Liebau says that "first and last Otto gave him between \$7,000 and \$8,000 for the Bureau. The said cash book shows Otto's name opposite sums aggregating \$19,000. Otto says that the money accredited as having been given by the German Government as well as other sums, passed through his hands, making near \$25,000 which he handled for the Bureau. His statement follows:

"My full name is Rudolf Heinrich Otto; I was born at Pernambuco, Brazil, where my father was German Consul at the time, on March 25, 1888. I was taken to Germany when seven years old and raised and educated at Lübeck; traveled in England, Australia and the South Sea Islands; in 1898 settled in Jamaica; was appointed Austro-Hungarian Consul at that place in 1900, and German Consul in 1910, at Kingston. On the outbreak of the European War in August, 1914 I was interned in my own house for a month, and through the influence of the American Consul and the State Department I was released, and arrived in New York City in September. I came to Plainfield, New Jersey soon afterward and have remained here ever since except that my summers were spent at Deal Beach, N. J.

"I think it was early in August, 1915 that the German Government came to be published here its laws relating to German subjects who worked in munition factories on material for the Allies. As a guest of the German Club in New York City, 59th street, I was seated one day at a table when a discussion arose as to how to meet this situation of the German workers in munition factories, and how to help them. Dr. Heinrich F. Albert, agent of the German Government, was there, as well as other leading Germans of the City. I remember stating that I, as a guest of the United States, unalterably opposed to any course of action that was against the laws of this country, and that if a campaign were started to get these munition workers out of factories they must be allowed to get out of their own free will according to the dictates of their own conscience, and not through any coercion on our part. I do not recall that Dr. Albert or any one else of high authority in German matters expressed any opinion in the matter then. Yes, I remember Capt. von Papen was there then; don't think Capt. Boy-Ed was. I talked with Von Papen about this matter afterward and he agreed with me when I told him that for my own protection I absolutely would not undertake to run the Bureau myself, nor would I have anything to do with it unless it was square with the United States. No, von Papen did not suggest any other method.

"The way the Bureau for the relief of munition workers was started was this: I wrote to the president of the Technischer Verein (Society of German Technicians) asking him to select some suitable person to conduct a labor bureau, on a humanitarian basis only, for the Germans and Austro-Hungarians. He came to No. 141 Broadway where I had desk room. Mr. Lempke, the wireless man, to attend to my personal affairs, and brought with him Mr. Hans Liebau, the treasurer of the Society, whom I never before met. After a short conference, Mr. Liebau declared he was ready to undertake the management of such a Bureau. A sum amounting more than \$1,000 had been promised me at the German Club, to start the Bureau. A few days later Treasurer Kuhlenskampf of the Club handed me the money, and I turned it over to Mr. Liebau. He asked me to look for a place, 136 Liberty street, which he had selected for an office, and I agreed to the location, but was never there again. Mr. Liebau came regularly to my office at 141 Broadway, reported progress and received funds from me. He

ne a German journalist named Albrecht had been employed by him, on a commission basis, to solicit or raise funds for the Bureau; and that his cousin Dr. Karl O. Bertling, was also thus employed.

"It became evident that the voluntary contributions which were coming in would not suffice to carry on the work of the Bureau, and I was convinced that it was doing a good work, and that it should be carried on, even after the close of the war, to take care of the German unemployed; I also saw that it was relieving the German consular service of a great deal of labor and annoyance in looking after such people as had left the munition factories. So I wrote to the German Embassy, covering the whole matter, pointing out the relief afforded to consular officers, etc., and suggesting that the German Government subsidize the Arbeiterhilfe (workingmen's aid) by regular contribution of funds. I heard nothing of it for months, but one day received a telephone message from Dr. Heinrich F. Albert to see him at his office, No. 45 Broadway. When I arrived there he told me the German Embassy had authorized him to supply our Bureau with funds up to \$2,000 per month. He then gave me \$2,000 in greenbacks, mostly in \$100 bills, and I have him a receipt therefore, for the Arbeiterhilfe," or Workingmen's Aid. Whenever I learned from Mr. Liebau that money was needed for the Bureau, I gave Dr. Albert twenty-four hours' notice and went and got the money from him. It was always a cash transaction; no checks were given by Dr. Albert for the Bureau. Albert seemed to take no interest in the Bureau itself.

"I think I received the first money from Dr. Albert in April, 1916. His last payment to me was \$2,000 on January 31, 1917. Very soon afterward came the break of relations with Germany, and Mr. Liebau and I discussed the matter of closing the Bureau. We both decided that under the circumstances we could not properly continue the work. Soon afterward I saw Dr. Albert and told him that owing to the condition that had arisen, complications and difficulties would result from operating the Bureau, and he agreed with me. I never saw him again.

"Liebau assured me, at the outset, that he had given managers of branches of the Bureau instructions that no coercive methods were to be used with munition workers, and made it plain to all his subordinates that they must not foment strikes. I told him I would not have anything to do with the enterprise if it were not run rightly and legally.

"In all, I must have turned over to Liebau between \$24,000 and \$30,000. Other contributors besides the German Club whose funds were handed to me for the Bureau, because they knew me, were those of Otto Pollack-Parnegg and Paul Strauss of about \$1,000 each.

"I have no records pertaining to the Bureau run by Mr. Liebau, and have nothing to conceal from the United States Government. Yes, I was well acquainted with Capt. Boy-Ed and Capt. von Papen; met them both at Kingston, Jamaica, before I came to the United States, but only in a social way. I never had any business dealings with them. I am a subject of the German Emperor, and have never made application for naturalization in the United States or any other country. Under the German law, subjects who are absent from that country a certain number of years automatically expatriate themselves, but I have taken legal steps to retain my German citizenship. At the same time, being a guest of this country I respect its laws and people, and have never done anything to their detriment."

Mr. Otto spoke of his anxiety relative to getting a permit to move around a title so that should he accidentally come within half a mile of an armory or commit other possible trespass against the regulations governing alien enemies, he would not be taken to an internment camp. I advised him to see the United States marshal at Jersey City or Newark.

(Thereupon the committee at 4.05 o'clock p. m. went into executive session, at the conclusion of which it adjourned until Saturday, February 1, 1919, at 10.30 o'clock a. m.)

REWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

SATURDAY, FEBRUARY 1, 1919.

**UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.**

The subcommittee met, at the call of the chairman, at 10.30 o'clock a. m., in room 226 Senate Office Building, Senator Lee S. Overman residing.

Present: Senators Overman (chairman), Nelson, and Sterling.
Senator OVERMAN. I think we had better proceed.

TESTIMONY OF MR. FRANCIS H. KINNICUTT.

(The witness was sworn by the chairman.)

Capt. LESTER. Where do you reside?

Mr. KINNICUTT. I reside at Far Hills, N. J.

Capt. LESTER. Are you connected with any Government agency of the United States?

Mr. KINNICUTT. Yes, sir; I am assistant to the War Trade Board.

Capt. LESTER. How long have you occupied that position?

Mr. KINNICUTT. Since November, 1917.

Capt. LESTER. Have you made an investigation of the affairs of the Transatlantic Trust Co.?

Mr. KINNICUTT. I have, sir, partly representing the War Trade Board, alone, and later, in cooperation with the Military Intelligence.

Capt. LESTER. Have you the permission of your superiors to come here and testify before this committee?

Mr. KINNICUTT. I have.

Capt. LESTER. Have you in your possession various documents obtained from this Transatlantic Trust Co.?

Mr. KINNICUTT. I have.

Capt. LESTER. Will you state to the committee the result of your investigation and such facts as you think are material with reference to the affairs of the Transatlantic Trust Co. from the time of its incorporation down to the present time?

Mr. KINNICUTT. Yes.

The Transatlantic Trust Co. received its certificate to do business as a New York banking institution on May 2, 1912. It was organized partly in 1911. In July, 1911, Baron Kornfeld, who was submanager of the General Creditbank of Budapest, came over to New York representing his bank and two other large Hungarian banks, the Bank of Commerce and the Bank of Discount and Exchange, of Budapest, and got in touch with certain New York banking interests, and they had a preliminary agreement. That was followed up by

another preliminary agreement in Budapest on December 4, 1911. I want to be sure and get this exactly right, so I will refer to my notes here.

The preliminary agreement in New York said that it was proposed to establish a banking company known as the Hungarian General Trust Co., with the object of developing the commercial, industrial and financial interests between the United States of America and the Kingdom of Hungary; with the principal office in New York, and with such branches as should be from time to time decided on, especially it was to have an agency in Budapest, and it was stated that among the purposes was the furthering and protecting of the interests of Hungarians who may hereafter arrive in the United States, and that with this end in view the trust company was to be established throughout the United States and Canada, as many branches and representatives as could legally be done; that its business methods were to conform to business customs and usages among the Hungarians as far as possible, and it was to engage agents and employees who were conversant with the Hungarian language; that it was to aid in the protection of the legal rights of Hungarians in the United States, and where the persons were poor, that they would do it without fees; that it was to make arrangements to procure steamship tickets for Hungarians who were intending to return to Hungary at the lowest possible rate, and to make arrangements whereby Hungarians in the United States and Canada should be able to obtain Hungarian articles of merchandise, likewise Hungarian books and calendars. Five of the fourteen directors of the trust company were to be named by the Hungarian General Creditbank, and one director to each subscriber to the agreement.

This was a sort of a sketch. After this came an agreement between the founder banks in December at Budapest and then came the agreement of January 20, 1912, with the American stockholders, signed in New York.

Senator NELSON. The same year?

Mr. KINNICUTT. It ran over after the first of the year. This was January 20, 1912.

I will refer to this contract—it is very important—this contract signed on January 20, in New York.

Senator NELSON. 1912?

Mr. KINNICUTT. 1912. This was entered into between three Hungarian banks and the different American interests, and I will show you them if you want them.

Senator NELSON. Who are the American interests?

Mr. KINNICUTT. The American interests are Speyer & Co., A. Belmont & Co., Hallgarten & Co., and the United States Mortgage & Trust Co., each of which had 400 shares. H. Rieman Duval had 100 shares, and Walter G. Oakman, 100 shares, James G. Cannon, A. G. Gerster, Gustav Leve, and Morris Cukor, and Arnold Somlyó, each 10 shares. The majority of stock was held by these three Hungarian banks, the General Creditbank, 2,983 shares, the Hungarian Commercial Bank of Budapest, 1,269 shares, and the Hungarian Count & Exchange Bank 878 shares.

Senator NELSON. What was the aggregate amount of the stock?

Mr. KINNICUTT. Seven thousand shares.

Senator NELSON. And the par value?

Mr. KINNICUTT. The par value was \$150 per share.

Senator NELSON. Seven thousand shares at a par value of \$150 per share?

Mr. KINNICUTT. Yes, sir.

Capt. LESTER. Was there not some stipulation in the contract which put a limitation upon the amount of American capital to be invested at any time in the company?

Mr. KINNICUTT. Yes. In the agreement which I shall refer to in moment it is stated that at no time should the American holdings exceed 30 per cent.

Senator NELSON. Was this formed into a corporation under our laws in this country?

Mr. KINNICUTT. Yes; New York State law.

Senator NELSON. What was it called?

Mr. KINNICUTT. It was finally called the Transatlantic Trust Co.

Senator NELSON. At that time?

Mr. KINNICUTT. Well, they had two names. They were calling the Danube Trust Co. and the Hungarian General Trust Co.

Senator NELSON. What name did they finally give it?

Mr. KINNICUTT. They finally gave it the name of the Transatlantic Trust Co., but in these agreements it was referred to by different names.

Senator NELSON. And it was incorporated under the laws of New York, was it not?

Mr. KINNICUTT. Yes, sir.

Capt. LESTER. Have you the date of the incorporation there?

Mr. KINNICUTT. No; I have not. I have never seen the certificate of incorporation, but I have seen the certificate of the superintendent of banks allowing it to begin business, and that bears date May 2, 1912.

Senator NELSON. Have you looked up the question whether they had a right to be incorporated under the laws of this country, where only 30 per cent of the stock was owned by people here, and the rest of the stock was held over in Hungary? Have you examined that question, whether they had a right to incorporate under those conditions?

Mr. KINNICUTT. I have not examined that question, sir. I do know that there was a petition made to the attorney general of the State of New York shortly after the bank began business, claiming that it was an illegal corporation, organized for anti-American purposes, and after consideration that petition was dismissed by the attorney general.

Senator OVERMAN. When was that filed?

Mr. KINNICUTT. That was in 1912.

Senator OVERMAN. Before the war?

Mr. KINNICUTT. Oh, yes, before the war; in 1912 or 1913.

Senator OVERMAN. When did they actually begin business?

Mr. KINNICUTT. They began business May 2, 1912.

I want to refer briefly to certain other matters in this American stockholders' agreement. The signers of this agreement undertook, not legally, at least as a matter of good faith between themselves, that it was their intention that none of the following transactions

should be undertaken by the trust company without the consent of the three founder banks in Budapest.

Senator NELSON. That was not a trust company any longer!

Mr. KINNICUTT. It was not incorporated yet. It was a stockholders agreement.

Senator NELSON. Go ahead.

Mr. KINNICUTT. They were not to do various things, such as to undertake new and special branches of business.

Senator NELSON. To come down to the purposes of the corporation, what was the purpose as outlined in their articles of incorporation? What was their business?

Mr. KINNICUTT. If you will pardon me, sir, I have already said. Shall I repeat it?

Senator NELSON. That related to those preliminary agreements. I mean when they really incorporated in this country, what was the business of the corporation to be, as explained in the articles of incorporation?

Mr. KINNICUTT. It was to be just a trust company under the laws of the State of New York, the same as any other trust company.

Senator NELSON. It is a trust company?

Mr. KINNICUTT. Yes, sir.

Senator NELSON. And it was called one?

Mr. KINNICUTT. The Transatlantic Trust Co.

Now, it was stated right in this stockholders' agreement that the three founder banks—that the object was to further the business that the business of the trust company was the enforcement and protection of the interests of Hungarians who then resided or who hereafter arrive in the United States of America or Canada. It was understood that so far as this could legally be done, there were to be appointed agents and correspondents of the trust company.

Senator NELSON. You have given that.

Mr. KINNICUTT. That was in response to your request. In order to cover the expenses—this I have not given—in order to cover expenses growing out of the purposes for which the trust company was reorganized, and the expenses connected with the organization, the founder banks assumed the obligation either to deposit with said trust company the sum of 4,000,000 crowns in Hungarian money for four years without interest, or at the option of the bank to pay said four years to pay to said trust company interest at 4½ per cent on the said \$800,000.

The banks further obligate themselves, so far as this may be legally done, to secure a contract between the said trust company and the Royal Hungarian Postal Savings Bank, according to the terms of which the said trust company shall be appointed general agent in the United States and Canada for the said postal savings bank from the date of the organization.

Now, the terms of the contract between the said trust company and the Postal Savings Bank and the terms of the contract between the said trust company and the savings bank, subject to the approval of the United States Treasury, was to deposit with the said savings bank, within four years the sum of 4,000,000 crowns (American money), at only one

I may say here, though it is not in this contract, that there was another such agreement, by which this \$800,000 had to be invested in Hungarian Government bonds, which was done, but the trust company got back the interest from those bonds, so that it was the same thing as if they had it on deposit, except that they were compelled to invest in that way.

Senator NELSON. What operations did they carry on in this country?

(At this point the witness made a statement to the committee which the reporter was directed not to take down.)

Mr. KINNICUTT (continuing). This contract of December 4 is entered into between the founder banks and those which have been mentioned above, and it is also in the evidence, and that is also in the nature of a preliminary agreement. It is nothing final, and it provides substantially that cognizance is taken of the memorial to be presented to the Hungarian department of finance and the Hungarian royal department of commerce and the subparticipation to be permitted out of the shares of the banks to be established in America by the founding institutions. These three banks already mentioned, of Budapest, are to allow a certain subparticipation, and among these, without going into them in detail, is a subparticipation by the Hungarian Agrarian Revenue Bank and the Central Creditbank, the Hungarian money institutions, and then it says that in giving these subparticipations they shall only be good for 10 years, and that the principal banks are allowed to subdivide them, are allowed to retain the voting power, and are to be allowed to give certain participations to American institutions with what is called a block arrangement for four years—I suppose they meant they could not sell the stock for four years—and it provided that the sum of these subparticipations should not exceed 30 per cent of the total number of shares of the company.

According to an agreement with the Hungarian royal department of finance, if the American institution did not take up the 30 per cent, it goes on to provide that the founder banks would have the same privilege of giving subparticipations for not longer than four years.

Then this preliminary agreement mentions that a deposit free of interest is to be given by the Hungarian royal department of finance to the Hungarian General Creditbank to be distributed between the founding institutions in proportion to their quotas, and then it was to be handed over—not handed over as a deposit—to the American bank, but they were to allow the full 4½ per cent interest to the American bank. As a matter of fact what happened was, it went through the books simply as a deposit and then went back again.

Then this agreement goes on to provide how the board of directors in America is to be constituted. This is all before the stockholders' agreement. It was provided that Morris Sukor, Sam Konig, Dr. J. J. Gerster, Consul General Alexander Nuber, Leo Frederick, and Istav Leve were to be on the American board, and then there was to be a local committee in Budapest, which was to have certain powers, not defined, of regulation; and among its members were to be various members of these different founder banks and certain Government officials such as the Government emigration commissioner, and also

the director of the Hungarian Royal Museum, which is an intelligence office for commercial purposes at Budapest.

The officials of the bank were to be appointed partly out of officials of the founding institutions, and partly on the spot, and said that the main office of the bank was to be in New York, banking district, and they were to have a branch office in the Hungarian colony, between Sixtieth and Seventieth Streets. As a matter of fact the branch office was finally established farther down Seventh Street and Avenue A, which is also a Hungarian colony.

After that in date comes the American stockholders' agreement that I have already mentioned, but I have taken this order because I wanted to give the two Hungarian contracts together.

Now comes the main Hungarian document, and the title is significant. It says it is called an agreement subject to the approval of the royal Hungarian ministers of commerce and the interior and of finance, between the Royal Hungarian Savings Bank on the one hand and the founders of the Hungarian financial institution to be established in the territory of the United States of America, namely the three Hungarian banks. Under the terms of their agreement the Royal Hungarian Postal Savings Bank was to constitute the bank to be established in America as its exclusive representative in the United States of America for 10 years from the organization of the bank, but the Royal Hungarian Postal Savings Bank is entitled to give instructions from the Royal Hungarian Government to give immediate notice of the discontinuance of this agreement at any time.

The contract goes on to provide that the Royal Hungarian Postal Savings Bank will support the new bank against unfair competition of other firms or private firms who are engaged in the business of money remittances of immigrants, and will on request of the proposed bank in case of necessity exclude from its check and clearing business such firms, and to the same end will raise the permanent deposit required of competitors.

The founder banks agree that the proposed bank in America shall make the remittances of immigrants through the Royal Hungarian Postal Savings Bank, unless the transmitter otherwise expressly agrees.

(At 11.15 o'clock a. m. the subcommittee took a recess for 10 minutes. At the expiration of the recess the subcommittee reconvened.)

Senator OVERMAN. Try to hurry on.

Mr. KINNICUTT. These contracts are very involved. I am continuing on this agreement between these Hungarian banks and the Royal Hungarian Postal Savings Bank, which later was a part of the Government, just like our postal savings bank, the share-stock being owned by the Hungarian Government.

It provided for certain commissions that the Hungarian Postal Savings Bank was allowed to receive for forwarding money. The contract goes on to provide that the bank in New York will get these remittances from the bank in Budapest, which was to be established in Hungary. The bank was to collect the money in the different languages, showing the bank in New York was to be established in Hungary. The bank in New York was to collect the money in the different languages, showing this money-forwarding business.

Senator OVERMAN. The purpose was to get all the immigrants' money out of this country into Hungary, was it not?

Mr. KINNICUTT. Yes, sir. And the founding banks agreed that the new bank should attend to the collection of saving deposits for the Royal Hungarian Postal Savings Bank so far as permitted by American law, so that they were handling not only the ordinary remittances for immigrants, but also deposits for the National Postal Savings Bank in Hungary.

They agreed that the Royal Hungarian Postal Savings Bank could deposit this 4,000,000 crowns for the purpose of this business, that is to stimulate and aid it, during the term of the contract, which amount was to be raised to 5,000,000 crowns if the total yearly turnover of the new bank with the Hungarian Postal Savings Bank should reach more than 40,000,000 crowns. It actually reached 8,500,000 in one year, in the banner year, which was 1916.

Senator OVERMAN. What connection are you going to show with German propaganda?

Mr. KINNICUTT. This company was organized to take care of this money forwarding business, and stimulate it in every way, and it is also very clear in these preliminary agreements that it was to serve other purposes. The matter of buying steamship tickets for immigrants and encouraging remigration is expressly mentioned. It is mentioned repeatedly that it was to look after the Hungarians in all kinds of ways in the United States, but the real character of the institution came out when it began to operate as soon as the war broke out.

Senator NELSON. Tell us that and do not read all that matter. We are busy men and we can not afford to stay here.

Mr. KINNICUTT. I beg your pardon.

Senator NELSON. Tell us in your own way.

Mr. KINNICUTT. Yes; I am all through with the papers. They started out from the beginning to be very active to aid the central powers, in helping them to get subscriptions to their war loan bonds. They also acted as the agent for Germany under direct instructions from the German Embassy, and the German consulates were ordered to refer to the Transatlantic Trust Company, as were all the Hungarian consulates all over the country, and they were urged all the time to do this very thing, which was the original intention of the bank, to get all the savings of the immigrants over, that they possibly could. Pirnitzer wrote to Zweidenek, the counselor of the Austro-Hungarian Embassy, and asked him to have a definite order to all the consulates all over the country to encourage this money-forwarding business on the ground that it was a national interest of Austria-Hungary in the war to get every cent they could over to that country, which request he complied with, and issued an official order to all the consulates throughout the country; and letters from these consulates show that they obeyed these orders with great enthusiasm, and got an enormous amount. And besides that they were very active in helping the Austro-Hungarian Government to get subscriptions to the war loan bonds.

I just want to read this one sentence in a letter written by Pirnitzer to Hossenfelder, July 26, 1911:

Accept my sincere thanks for your kind offer to further the aims and the purposes of my bank.

He states that his company is—

an establishment of Austrian and German principal banks, and that it is entirely in the service of the central powers.

Capt. LESTER. What is the date of that letter?

Mr. KINNICUTT. July 26, 1916.

Capt. LESTER. Who was Pirnitzer?

Mr. KINNICUTT. Mr. Pirnitzer was the president of this bank. He had been a commercial attaché in Hungary, and had represented the Government in China, Alaska, and Russia, and was at one time in the ministry of commerce. He was also a reserve officer in the Austrian Army. He is now interned at Oglethorpe, since the Alien Property Custodian took charge of the trust company in July. Pirnitzer was interned as the result of the investigation of Mr. Sprague of the Alien Enemy Bureau, and his secretary also was mentioned together with a man named Steer, said to have been formerly private secretary of the Emperor Francis Joseph. He was in the employ of the Transatlantic Trust Co., and the employees of the trust company were largely Hungarians.

Now, Pirnitzer was undoubtedly employed to give information of all kinds to the Austrian Government, outside of these functions of the bank as a whole, to promote this export of savings, to help in war-loan bonds, to promote remigration to Hungary. Pirnitzer and possibly some subordinates were also very active in the interest of the Austro-Hungarian Government. They prepared all kinds of reports to Dumba and Zweidenek; for instance, on the loans that were made by the United States to the entente powers; and he gave accurate advice as to how to float their war-loan bonds, discussed political questions, such as the sinking of the *Lusitania*, and advised the embassy pretty generally, continuously.

Senator NELSON. Well, did they succeed in floating much of the Austro-Hungarian loan and the German loan in this country through this bank?

Mr. KINNICUTT. The figures were not very startling. They were about fourteen millions, or something like that.

Senator NELSON. Fourteen million dollars or kronen?

Mr. KINNICUTT. If you will allow me, that is right in my report. I will get that figure. It is \$14,000,000, I think. The total export of savings was about 135,000,000 kronen during the first three years of the European war.

Senator NELSON. What is the normal rate of the kronen compared with our money?

Mr. KINNICUTT. It was 20 cents just before the war. It went down to about 10 cents.

Senator NELSON. About 20 cents; about equivalent to a franc?

Mr. KINNICUTT. Yes.

Senator NELSON. Before the war?

Mr. KINNICUTT. Yes, sir. I may say that some of these letters show that Mr. Pirnitzer was in close touch with von Rintelen. One of the letters is in regard to a war invention that a certain man named Gates wanted to sell. Pirnitzer was told by the Austrian Embassy to take care of one of those men, a man named Fetter who was trying to show that munitions and guns were being carried on the *Lusitania*, and the Austrian Embassy said that

man had been giving them a lot of bother, and that he had not produced anything, but to be very careful in handling him not to give him anything unless he gave information of value. So that it is fairly obvious that Pirnitzer was used by the embassy as a political agent or intelligence officer.

Senator NELSON. Did they carry on any activity, this trust company, in connection with Hungarian employees in munition plants and other plants, industrial plants in this country?

Mr. KINNICUTT. In one of Pirnitzer's reports he states that he did not think it was worth while to get employment for Hungarian immigrants except those who had left employment in munition factories, but there were several particulars in which the trust company, after the war, probably violated the enemy-trading act. I am speaking now of the period before the Government took charge of the institution. They continued to pay interest on these war loan bonds to Germany after we were in the war. They also allowed some of the German war loan bonds to be sold.

Senator NELSON. After we entered the war?

Mr. KINNICUTT. Yes, and issued new certificates; they necessarily representing in some way the foreign powers, or they would not have had the authority to issue new certificates; and they did that after we were in the war.

Senator NELSON. When did the Government take over the trust company?

Mr. KINNICUTT. Five directors were appointed by the Alien Property Custodian some time in March, 1918, and several more, giving a majority of the board, were appointed in May, and in July, 1918, the Alien Property Custodian took over the business, and it was shortly after that that Pirnitzer was interned.

Senator NELSON. It is now in the hands of the custodian?

Mr. KINNICUTT. It is now in the hands of the Alien Property Custodian and is being liquidated.

Another thing that the trust company did was to renew and also make some new loans after we were in the war, on the collateral of these enemy war loan bonds.

One or two things in connection with this transmission of emigrant savings touched the propaganda question. Another thing is the effort they made to uphold the loyalty of the immigrants to the old country. They even went so far as to get the dean of the subsidized Hungarian Church in this country to send out a circular letter to all of these clergymen in this country, who received part of their salaries from the Austrian consul, to speak to their congregations from the pulpit urging them to send remittances to the Transatlantic Trust Co., putting in that it was for the sake of the poor war sufferers in the land of their birth.

(One of the letters referred to is here printed in the record as follows:)

REFORMATUS HIRADO.

OFFICIAL PART.

Dr. Zoltan Kuthy, Dean of the Eastern Diocese has addressed this week the following letter to the congregation and ministers of the American Eastern Diocese:

OCTOBER 27, 1914

69/1914

Circular letter to the congregations and Reverend Corps of Clergymen of Eastern Diocese.

Reverend Ministers,

I request you and instruct you officially that you read my following proclamation during church services next Sunday, November 1, forenoon from church pulpit.

I report to the congregation that the Dean of our Diocese the Very Reverend Dr. Zoltan Kuthy, sent to me the following official letter to be read in church:

Beloved Brother Co-Religionists:

Your Superior Church Authority sends you a message, the Dean of your Diocese. He sends you the message that our sweet Hungarian Fatherland is in danger. All her arm bearing sons have enrolled under the flag and if 100,000 are awaiting him, he takes his healthy life with determined readiness into the fire of the battle with this exclamation: We will either triumph or we will die for the Fatherland! But, out in the battle only men fall. They left at home wives, children and old people must live, and they, perhaps are starving because the bread-winner has gone to heroic battle—for all of us! But sorrow and poverty are at home. Children's lips are asking bread from mothers. Is it not true that you who are at home and can give enough bread to your children are happy in the thought? O, do you hear across the sea how great the ocean is, that many hundred thousands of poor Hungarians are exclaiming to you; Help us, you who are in America! Brothers! Those who have at home parents, children, brothers or relatives, in this far land do not forget them; send them money, the more munificently, the more quickly and the sooner, because he is not an Hungarian who in these awful days deserts his own people and allows his own blood relatives to be in misery. He who sends money home shall send it through The Transatlantic Trust Company, (207 Second Avenue, New York), the money sending blanks of which after this service, will be distributed at the church door, and which money substitution is in every respect reliable and which is *officially recommended* also by the support of our churches by the *Most Reverend and Right Honorable Presidency of the Conventus*. Brothers! Hear my words, and then *act!* Send money home through the Transatlantic Trust Company to members of your families in Hungary, to your relatives and every cent and every dollars of yours will be blessed!

All of you are greeted with love by:

DR. ZOLTAN KUTHY,

The Dean of the American Eastern Reformed Diocese

Mr. KINNICUTT. In one letter Pirnitzer writes to the Hungarian Postal Savings Bank or to the minister of finance—he reported both—recommending ways and means for stimulating this particular money-forwarding business among a particular class of Hungarians, namely the Croats. He said the way to do that is to subsidize Croatian newspapers, wherever they can be bought up. The second way is to reorganize the clergy in the United States to see that disciplined monks are got to work over there, among the immigrants who will get the savings over in the way that they want.

As to subsidization of newspapers, Pirnitzer himself admitted in my examination that a small paper called the *Krajan*, which is a Roumanian paper, received a subsidy at his bank of \$50 a month. He also admitted that in 1913 he was instructed by the Hungarian Government to try to purchase the *Szabadsag*, which is the most important Hungarian paper in the United States (except possibly the *Nepszava*), published in Cleveland, but he found they asked too much for it and did not purchase.

I have several telegrams here from the Austrian Government to Pirnitzer and a letter in reply from Pirnitzer in which he said:

had not been able to make the financial arrangements with the Szabadsag that he was instructed to, because somebody representing the Szabadsag had gone over to Hungary, but Pirnitzer says the negotiations there fell through and the thing was left in the air, and we have simply Pirnitzer's statement that no control ever was brought.

Senator NELSON. To sum up, the activity of this company can be summed up under two heads: First, it was to gather up the savings of Hungarians in this country and send them over to the old country?

Mr. KINNICUTT. Yes, sir.

Senator NELSON. And the next thing was to float as much of the loans of the central powers, the bonds of the Germans and Austro-Hungarians, as they could in this country

Mr. KINNICUTT. Yes.

Senator NELSON. Those were the main activities?

Mr. KINNICUTT. Yes, sir.

Senator OVERMAN. You stated just now that they had taken all the churches, and certain preachers were preaching and were paid by the government, or the government paid the salaries of the preachers?

Mr. KINNICUTT. The evidence is that the salaries came through Consul Nuber and the consulate at Pittsburgh. But I want to be perfectly fair there. There is some evidence by these gentlemen that the money really came from the Conventus, which is the executive body of the Calvinist Church of Hungary. It is stated, however, that the Calvinist Church, like all other churches in Hungary, received a subsidy from the government. It is supposed to be for educational purposes.

Senator OVERMAN. This church is under control of the government?

Mr. KINNICUTT. No; apparently only under the control of what is called the Conventus, which is the executive body of the Calvinist Church.

Senator OVERMAN. And the government controls that?

Mr. KINNICUTT. How far the government controls that we do not know.

Senator OVERMAN. How many ministers do they have in this country, do you know?

Mr. KINNICUTT. They sent over and established about 38 of those churches under the direct jurisdiction of this Calvinist Church. Before that time the people were getting along very well with establishing their own churches. Then a certain man named Count Degenfeld in 1904 decided to separate these Hungarians who had either established their own churches or gone in with the Presbyterians or other Protestant denominations, and established new churches under the direct jurisdiction of the Conventus, and those are the clergymen whose salaries were paid in part by the government.

Senator OVERMAN. The Conventus is a church organized in Hungary?

Mr. KINNICUTT. Yes, sir.

Senator OVERMAN. And to some extent that is controlled by the government?

Mr. KINNICUTT. Well, we know that these gentlemen here had to make reports—at least there is evidence that they had to make reports—to the government, although they deny it. Count Degener was closely related to the late prime minister of Hungary, Tisza; there is evidence also that Consul Nuber stated at one time to a man named John Scotti, who was one of the employees of the Transatlantic Trust Co., that the government was interested in the clergymen.

Senator NELSON. These Hungarian churches come under the auspices of the Hungarian Government. The independent churches are all Catholic, are they not?

Mr. KINNICUTT. No, sir; on the contrary, this particular body of churches I am speaking of is Calvinist—Protestant.

Senator NELSON. In this country?

Mr. KINNICUTT. Yes. There are also, of course, a great many Hungarians who are Catholic.

Senator NELSON. But the church in the old country, under the auspices of the government, is Catholic?

Mr. KINNICUTT. The established national church is Catholic.

Senator NELSON. Yes; that is what I mean.

Senator OVERMAN. Then this Calvinist Church has no connection with the government?

Mr. KINNICUTT. Only in the sense that all churches of any description or denomination are to a certain extent regulated by the government in Austria-Hungary. They all get subsidies for educational purposes, and wherever they have a bishop, the bishop sits in the House of Lords. There is a certain connection, but I would not say they are absolutely controlled.

I want to say one word more about the priests. The Transatlantic Trust Co. used them like drummers, and paid them a commission on the immigrant savings for export.

Senator NELSON. Will you state how many millions of dollars of bonds they floated in this country?

Mr. KINNICUTT. I have got a paper here, but I have misplaced it with a memorandum of that.

Senator NELSON. Can you give us how many millions of dollars they sent back to Austro-Hungary under the auspices of this bank?

Mr. KINNICUTT. In savings?

Senator NELSON. Yes.

Mr. KINNICUTT. How many, until the government took possession of them, from the time they were organized?

Senator NELSON. From the beginning.

Mr. KINNICUTT. Yes; from the time they were organized; I have it here. I have it by years, I admit.

Senator NELSON. Give it by years.

Mr. KINNICUTT. Shall I give it by millions?

Senator OVERMAN. Yes; give it that way.

Mr. KINNICUTT. In 1912, 2,000,000 kronen; in 1913, 19,000,000; in 1914, 14,000,000; in 1915, 52,000,000; in 1916, 68,000,000; in 1917 it dropped to 8,000,000. The amounts as to Germany were very small amounts until after the beginning of the war, when in 1916 they sent over 2,000,000 marks to Germany; but relatively they were small. In 1917 it was 1,000,000.

Senator NELSON. I wish you would have your clerk add that up so that we can get the total amount.

Mr. KINNICUTT. Yes, sir.

Senator NELSON. The total amount of Hungarian and the total amount of German money.

Mr. KINNICUTT. That can very readily be done.

Senator OVERMAN. That makes 163,000,000 kronen.

Senator NELSON. Divide that by 5 and it will give the amount in dollars.

Senator OVERMAN. It is about \$30,000,000, then.

Mr. KINNICUTT. Would it interest you to know what profits they made on this, I mean during the war?

Senator OVERMAN. I do not know what we have to do about profits.

Mr. KINNICUTT. The trust company always maintained that they were a great boon to the immigrant because they shut out these private banks; but the evidence shows that in the war they were charging just what everybody else was, and they were making very handsome commissions, sometimes over 10 per cent. They would make \$1 on 100 kronen.

Senator OVERMAN. What did they do with the profits? Did they declare dividends?

Mr. KINNICUTT. They declared dividends at times. They did not in the first two or three years, but they declared dividends at one time. There was always a fight going on about that. First, they always wanted to refrain from declaring dividends, and always wanted to build up the business; and here is a very important thing, that the minute this money forwarding business was stopped, then the bank was nothing. They began to lose money at the rate of \$60,000 a year, and Pirnitzer said he had a hidden profit out of the money forwarding which was about \$300,000, which would be enough to tide them over for two or three years; and in the meantime the policy was to make the Hungarians, who had formerly used the trust company only as a conduit pipe in transmitting the money deposited in the bank, make deposits in the trust company, giving them the understanding that they would forward the money as soon as they could after peace was declared, and in that way they did get a considerable accumulation, about \$3,000,000 of deposits, just while they could not send the money over; and he says at the end of the war the accumulated savings of the Hungarians will reach about \$100,000,000, and the flow will begin again with redoubled vigor; and he prides himself, in the reports to the minister, on having reassured the immigrants here when they were worried, in the first part of the war, about sending their savings over, that by getting an official statement from the ministry in Hungary it reassured them, so that the flow could continue during the war and be redoubled after the war.

Senator NELSON. Do you know what those people are doing with their money?

Mr. KINNICUTT. The evidence is, I believe, that they are beginning to deposit in American banks, which is a very desirable end.

Senator NELSON. These deposits that were made during the war, were they taken over by the Alien Property Custodian, too?

Mr. KINNICUTT. No; the deposits were not touched. They are now being distributed. The bank is in process of liquidation and the

depositors are drawing out their deposits. There is evidence that movement is starting up all over the country among the private bankers and all kinds of banks, getting ready for this rush of immigrants' money to Europe as soon as the bars are let down; and I add, Pirnitzer refers to the situation after the war, and he tries to induce the authorities, instead of disrupting this institution which was absolutely controlled by these Hungarian banks, to let it live and to Americanize it, and he said, instead of using it as an instrument to promote remigration and the taking up of the savings in Europe, to use it as an American concern to prevent remigration instead of promoting remigration from America, but he did not explain how it was going to be done, how he was going to get around the fact that the stock would still be owned under these binding contracts by the three Hungarian banks, and all coupled up with the Austro-Hungarian Government. It was that which decided that it must be liquidated.

Senator NELSON. They have, then, liquidated a foreign institution under American garb?

Mr. KINNICUTT. Absolutely.

Senator NELSON. Seventy per cent of the stock being owned by foreigners?

Mr. KINNICUTT. Yes.

Senator NELSON. And only 30 per cent owned by the people of this country?

Mr. KINNICUTT. Yes.

Senator NELSON. What was the ruling of the Attorney General when the petition was made to dissolve it on the ground that it was only 30 per cent American owned?

Mr. KINNICUTT. I do not know that that evidence was before him, and I do not know on what grounds it was dismissed; but the subsidy is the thing I really have not touched on sufficiently. The subsidy was \$1,600,000 American money.

Senator NELSON. From the Government?

Mr. KINNICUTT. From the Hungarian Government; and I have the proof that every cent of that was a real subsidy; that it was not a loan. Pirnitzer pretended at first, a lot of Hungarian banks who were putting capital in American banks; not at all. I am not, of course, referring to the capital stock, but I am referring to the \$1,600,000, half of which came from the Hungarian Postal Savings Bank, a share of the stock of which is owned by the Government, and the other half from the ministry of finance; and through all these arguments goes the fact that they are to do certain things in consideration of these sums, and it is to promote the forwarding of the immigrants' savings.

The next most important thing was to promote remigration. There is a very clever essay by Pirnitzer on this subject, how Hungary is to stimulate remigration after the war, and making the very canny suggestion that they had better not put up the bars preventing immigration into this country right away, because there is a vast number of Hungarians who seek to remigrate, and it is much better not to put up the bars and not let them go back than they get here than it is to put up the bars first. He said if you put up the bars first that they will fear to be caught over there and consequently will not go over.

I want to bring out about the remigration. That was a very important function of the Transatlantic Trust Co. He was told to send over a list of all these Hungarians, not only for the purposes of the business of money forwarding but so that they would have them there to sell land to these Hungarians and induce them to send over deposits to buy that land, from America. And they had certain semi-Government institutions and credit associations and banks, which were organized by the Government for the purpose of promoting that.

Pirnitzer says in this report, when there were hard times over here and the immigrants did not come over, that the Hungarian Government did not manage the situation very cleverly; that the land had gone up materially, and peasants could not get land as they hoped to do, and the peasants came back to America. He said, "This time we will not make that mistake. We will use them in the mines, etc.; but we have got to see that they have such things as they have become accustomed to in America. They like the newspapers and the social life, and we have got to provide those things so that they will be satisfied, and we will hold on to them."

Senator NELSON. I gather from your statement that the prime object of this institution was to get all the money that the Hungarians earned in this country and saved, sent over there to the old country to be utilized?

Mr. KINNICUTT. Yes.

Senator NELSON. Instead of being utilized in this country?

Mr. KINNICUTT. Yes.

Senator NELSON. To have it all go over there as fast as they earned it and could save it?

Mr. KINNICUTT. Yes; that was merely accentuated by the war conditions. That was always the purpose of it.

Senator NELSON. And they succeeded in getting most of it, did they not?

Mr. KINNICUTT. They were wonderfully successful. The methods were extremely objectionable. They not only used these priests—who were paid by the consuls, wherever the money came from—but they used the most offensive kind of propaganda. Pirnitzer says that in one year he spent \$120,000 in advertisements in foreign-language papers and in printed circulars in the foreign languages in the different dialects they had, just in circularizing; and in 1915, as he says in one of his official reports, they already had 1,005 "confidential agents," as he calls them, and these men spread themselves out through the Hungarian colonies all over the United States. They were not all traveling agents. Most of them were located in some colony, but there were also traveling agents. One of those agents was arrested at Elyria, Ohio, and was arrested because—and I have plenty of proof of it here—he was persuading Hungarians to sell Liberty Bonds and send the money to the Transatlantic Trust Co. to be held until after the war, when, he assured these people, it would be sent over to Hungary; and he was caught getting money out of good American banks and putting it into the Transatlantic Trust Co. He was quoted as saying that that was the safest place for it, because Germany and Austria were going to win the war, intimating that it would not be safe in that case in American banks; that you

could not tell what was going to happen to an American bank. The evidence on that was so strong that he was interned. There is correspondence between this man and John Scotti, and while Scotti is a minor character in this drama, he was a pretty active individual.

He was head of their business development department, and was around seeing all these priests, and getting new agents everywhere all over the country, and he was very closely in touch with the consulates, and he admits the fact that after we had had the break with Austria, after we had gone into the war with Germany and broken off diplomatic relations with Austria, he received \$1,000 from the Austrian consulate. He said that was for giving information about immigrants, but there was not any immigration at that time and he undoubtedly furnished a great deal of information to the Hungarian consulates and embassy, such as they desired, whatever it was, and he was one of the instruments in establishing this army of confidential agents, because he certainly knew his subject, he knew the habits of the Hungarian immigrants and knew how to get at them, and he was very active in this way.

Senator NELSON. And these agents were to solicit money to be sent to Hungary?

Mr. KINNICUTT. Yes, sir. That was their sole purpose. They got a commission of 25 cents on 100 kronen; every 100 kronen they got 25 cents; so that that proves that it was not expressly for the trust company; but on this propaganda alone he admits that in 1914 they spent \$50,000, and in 1916 they spent \$120,000, which included written propaganda for the war loans as well as the money for forwarding; but they were handling both together.

Senator NELSON. Were they engaged in any activity of mobilizing the Hungarian labor in this country in any shape?

Mr. KINNICUTT. I have no evidence of that.

Senator NELSON. What?

Mr. KINNICUTT. I have no evidence that they were doing that. As I have already stated, President Pirnitzer made formal reports on this political question to the embassy, and he continued to write to Dr. Dumba after Dumba had gone back to Vienna.

Senator OVERMAN. He was acting as a spy. He was giving information to the enemy?

Mr. KINNICUTT. I can only say that the evidence was sufficient to send him to Oglethorpe.

Capt. LESTER. Have you stated the bond subscriptions obtained by the Transatlantic Trust Co. for Germany and Austria?

Mr. KINNICUTT. No; that is the figure I will have to get. It is not very large; not as large as some of the others.

Senator OVERMAN. Is there anything else, Capt. Lester?

Capt. LESTER. No, sir; that is all.

Mr. KINNICUTT. Mr. Steiner has a suggestion to make.

Senator OVERMAN. Is there anything else you want to state, Mr. Kinnicutt?

Mr. KINNICUTT. That is only a circular sent out for the purpose of liquidating the trust company [indicating paper]. I have said all the time, and I simply want to say this, that I feel that a company that is organized by a foreign Government in this way, particularly a banking institution, is a very grave danger whatever it is.

subsidized in this way, because you have the great power of a bank combined with the great power of a foreign Government, and the Government goes on forever, and the bank goes on forever, and every year they want to do one thing and another year they want to do another; and I sincerely hope that this bank will be dissolved legally and finally before peace is declared and before the bars are let down.

Senator NELSON. It seems to me that they could not have been legally incorporated in this country.

Mr. KINNICUTT. You mean with reference to the stock?

Senator NELSON. Yes.

Mr. KINNICUTT. I have not the least evidence, Senator.

Senator NELSON. Under what law were they incorporated; the laws of the State of New York?

Mr. KINNICUTT. Under the laws of the State of New York.

Senator NELSON. Have you looked up those laws, and do you know whether foreigners can incorporate under them? Can a corporation be formed where the stock is owned by foreigners?

Senator OVERMAN. I think it is against public policy under the constitution.

Mr. KINNICUTT. With reference to the 30 per cent and 70 per cent stock ownership, it was my impression that there was no law preventing that.

Senator OVERMAN. Does Mr. Steiner want to tell anything?

Mr. STEINER. Indeed, I do.

Mr. KINNICUTT. I should say that Mr. Steiner has been tremendously interested in the immigration question, and he might perhaps like to be guided as to what you want. I think he ought to be made to understand that it is in relation to this trust company, probably, if you want information, because he has so much information and such valuable information that it might branch out into other subjects. If you will give a little direction as to exactly where he is to draw the line I think it will be a good idea.

STATEMENT OF MR. LAJOS STEINER.

(The witness was sworn by the chairman.)

Mr. STEINER. There has been systematic work conducted in this country as to immigrants, and it is being conducted so now, not only during the war but at least during the last three decades, 30 years, ever since our newly arrived immigrants have consisted largely of tillers of the soil.

Senator OVERMAN. How long have you been in this country?

Mr. STEINER. Twenty-seven years.

Senator OVERMAN. You are a naturalized American citizen?

Mr. STEINER. I was naturalized at the earliest possible moment.

Senator NELSON. Where do you live?

Mr. STEINER. In Chicago, Ill.

Senator NELSON. Where were you born, in Germany?

Mr. STEINER. I was born in Hungary.

Senator NELSON. Are you a Hungarian?

Mr. STEINER. I am an American.

Senator NELSON. I mean by birth; are you a German by birth or a Hungarian?

Mr. STEINER. Hungarian; Magyar.

Senator NELSON. Hungarian is your native language?

Mr. STEINER. That is my native language.

Senator NELSON. Go on.

Mr. STEINER. Ever since we have been receiving peasant immigrants from Europe, systematic work has been conducted to prevent the Americanization of this sort of people, and induce them to compel them, to export their savings habitually, immediately at pay day. They are induced to return to their native countries to engage in agriculture. These tillers of the soil, most of whom are Hungarian, Italian, and Slav peasants, realize that industrial work will not provide for them in old age.

The bad example furnished by the American land sharks has scared away the bulk of such immigrants from agricultural ventures in the United States.

Senator OVERMAN. What has scared them away?

Mr. STEINER. They came to believe that it was impossible to engage in agriculture in the United States and survive. They are mercilessly exploited.

Senator OVERMAN. Who did that?

Mr. STEINER. Steamship agents, exploiters, land sharks, men interested in getting the money of these people; and they in the same form have been so treated for many years.

Senator NELSON. When these people go back there with their savings, is there any way in which they can buy land, acquire it and become owners?

Mr. STEINER. This is really the main reason—

Senator NELSON. Is it not a fact that most of the land in Hungary is owned in large estates, and that the common laborer has no opportunity or no chance to buy land?

Mr. STEINER. That is one of the great troubles over there: it is congested; the land is in the hands of large owners and mighty land is available; and through this influx of American money into Hungary and into several other such countries that furnish us with the newly arrived immigrants, conditions became such that land which sold 25 or 30 years ago for \$50 an acre is selling, or was selling just before the war, for \$500 an acre; but such is the hunger for land that the immigrant returning, having no choice, is compelled to avail himself of that and will buy one or two acres of land, and it will produce almost enough food for him to live on, and then he will hire out as a day laborer to earn enough cash to buy his clothes. Many of the remigrants are deprived of their American savings; they find out that conditions are just as intolerable as they were when they first became induced to emigrate, and they come back to the United States, deprived of their savings, discouraged and penniless.

Senator NELSON. What interest do they pay them over there on the savings that are sent over?

Mr. STEINER. A nominal interest, but very much better interest than our American Postal banks pay, however. The immigrants have no choice. Banks are not liberal for immigrants. Most of these immigrants work in our coal mines and at lumber, railroad and other camps, labor in various places distant from banks, or work out of town factories, and they can not go during business hours.

big cities to deposit their savings in our banks. The private banks, as well as the steamer ticket agents, masquerading as banks, systematically work to have these men export their savings, and have them buy a steerage ticket and remigrate.

Senator NELSON. Before this trust company was started there were a lot of private Hungarian concerns here, individuals and partnerships who made a business of collecting the savings of Hungarians, and buying them tickets, and all that, were there not?

Mr. STEINER. There were, and there are at the present time; thousands of them.

Senator NELSON. And this big trust company was formed to sort of freeze them out, was it not?

Mr. STEINER. If you please, I ought to know that, because I am the man who made this trust company. I have presented to the Mutual Life Insurance Co. statements telling them what intolerable conditions exist, how immigrants are exploited, and how they are defrauded.

Senator NELSON. Then you are in favor of the trust company and freezing out these private concerns?

Mr. STEINER. If you please, inasmuch as in those days it was considered impossible ever to establish in the United States postal savings banks, and inasmuch as in those days it was considered to be impossible to secure in the United States legislation for the supervision and regulation of these private bankers, therefore we agreed on this method of trying to protect these people by the establishment of an international bank.

Senator NELSON. Then you favored the idea of this trust corporation in the first instance?

Mr. STEINER. In those days I did. There was no other way out of it.

Senator NELSON. In order that it should freeze out these private concerns?

Mr. STEINER. In order that it might permit an immigrant to keep his money in the United States, protecting him and facilitating him to get on an American farm. Overcongested Europe can not satisfy the hunger for land with his savings of the present day, and at the present purchasing power of money, while along the lines of the Union Pacific and Santa Fe and the Northern Pacific there are vast areas where whole nations can be placed in the United States, and to promote the general welfare by creating crops and traffic; and these people could very well become Americanized, and their children will become loyal Americans.

After working for years and spending all the money I had, I was discouraged because it was considered that the business of these trust companies should not be the correction of the evil which I intended that it should correct, but the making of money. This trust company, as well as innumerable other institutions all over the United States, wherever immigrants earn wages, was in the deal with certain forces to conduct systematic work for the prevention of immigrants from becoming Americanized and for inducing them to habitually export their savings. The first of these factors are the respective embassies and consulates. They are instructed by their governments how to go at it. They are shrewd. They have num-

bers of lawyers to advise them; they have an unholy amount of money to spend, and they do spend it, for propaganda—they use it—to assist in successfully conducting this work. For instance, a tremendous amount of money, amounting to about \$400,000 each normal year, is allegedly sent to “needy relatives.” These moneys are really sent to the respective postal banks and other banks of the respective countries, until a competency is secured, where the immigrant is induced to remigrate and, and is robbed over then of all sorts of colonizing schemes.

The second of these factors is that of the trans-Atlantic steamship companies, with their thousands of agencies. The steamship companies do not want their boats to return empty to Europe, and they realize that if these seventeen and a half million immigrants already present in the United States become Americanized, they will stay here, do good and their returning boats will return to Europe empty or nearly empty. You must realize that two steerage passengers pay as much as about, as one cabin passenger, and that there are 90 steerage passengers to about 10 first-cabin passengers; and if you consider at the moment what the first-cabin passenger has for his money and what the steerage passenger receives for his money, you can readily see where the profit of the steamship companies is coming from. It is coming from the steerage. Therefore their various agents will do heaven and earth to keep things going.

Senator OVERMAN. You say this propaganda is to get these people to save their wages until they get a competency, and then repatriate themselves and become again citizens of Hungary?

Mr. STEINER. It is to have a man, from the day of his arrival, habitually export his savings. Where his treasure is, there is his heart. If he is habitually exporting his savings twice a month to Italy or Russia or Hungary, then that person will have no desire to learn our language. He will not acquire a knowledge of our customs and institutions, and he will not avail himself of American opportunities.

Senator OVERMAN. You say his heart is where his money is?

Mr. STEINER. That is the idea, sir, exactly.

Senator NELSON. These steamship companies are interested in having, first, a flow of immigrants coming to this country?

Mr. STEINER. Coming to this country.

Senator NELSON. And then they want them to flow back again?

Mr. STEINER. To flow back again; and after the export of savings, remigration follows.

Senator NELSON. They are anxious to send them over here for a few years to earn money and come back with it?

Mr. STEINER. And come back with it; yes, sir.

The third potent factor in this matter is the foreign language newspapers. There are about 1,650 of them in the United States, and I am sorry to say most of them are un-American and many of them are anti-American. They have conducted a pro-Kaiser propaganda. They ought to support Americanism.

Senator NELSON. How many of those foreign language newspapers are there in the United States?

Mr. STEINER. About 1,600.

Senator NELSON. How many Hungarian newspapers are there

Mr. STEINER. About 25.

Senator NELSON. They have two languages in Hungary, have they not?

Mr. STEINER. They have a number of languages. The national language is the Hungarian.

Senator NELSON. I mean written languages, book languages?

Mr. STEINER. Hungarian.

Senator NELSON. That is a little akin to the Finnish language?

Mr. STEINER. It is related to that language.

Senator NELSON. Well there are a great many Germans in Hungary, are there not?

Mr. STEINER. There are a number of them in Hungary. However, the commercial class speaks German.

Senator NELSON. There are a great many German Hebrews in Hungary?

Mr. STEINER. Quite a number.

Senator NELSON. Do they speak the Hebrew language or do they speak the Hungarian language?

Mr. STEINER. They speak the Hungarian language, but most of them speak also German.

Senator OVERMAN. Here is the information about the bonds.

Mr. KINNICUTT. It amounts to about \$7,000,000.

(The statement referred to is here printed in the record, as follows:)

TRANSATLANTIC TRUST COMPANY,
67-69 WILLIAM ST.,
New York, May 13, 1918.

Mr. F. H. KINNICUTT,
War Trade Board, New York City.

DEAR SIR: Referring to our conversation on Friday, the 10 inst., I take pleasure in giving you herewith the data you have asked for:

1 Sales of War Loan Bonds of the Central Powers:

Austrian, 4,491,400 Kronen-----	}	\$4. 079, 857. 50
Hungarian, 15,646,100 Kronen-----		
German, 14,383,100 Marks-----		
		3. 453, 177. 80
		7, 533, 035. 30

2 Money forwarding business:

Austria-Hungary:		Kronen.
1914-----	14, 310, 401. 89	
1915-----	53, 223, 719. 87	
1916-----	68, 746. 636. 69	
1917-----	8, 454. 917. 04	
		\$29, 323, 457. 85
Germany:		Marks.
1914-----	12, 706. 21	
1915-----	163, 993. 28	
1916-----	2, 273, 949. 32	
1917-----	1. 037, 352. 24	
		830, 144. 25
		30, 153, 602. 10

The normal parity of Exchange between this country and Austria-Hungary is \$20.26 per 100 Kronen; between this country and Germany, \$23.80 per 100 Mark. Since the outbreak of the European War the value of the Exchange of the Central Powers has been almost continually declining. The present parity is about \$12.50 per 100 Kronen, and \$19.00 per 100 marks.

In further pursuance to your request, I beg to enclose a list of local banks and bankers who, previous to the declaration of war against the Central

Powers, were actively interested in the money forwarding business to Austria, Hungary and Germany.

Again assuring you of my readiness to give you any further information at my command, believe me

Very sincerely,

J. PIRNITZER.

P. M.

Senator OVERMAN. You say that all of these foreign papers, so far as you know, especially Hungarian papers, have been un-American?

Mr. STEINER. I will not say that all of them, because I do not know all of them. A few of them are, I hope, honest and loyal Americans.

Senator OVERMAN. So far as you know a majority of them are un-American.

Mr. STEINER. Un-American, and numbers of them anti-American.

Their larger share of income is derived from the advertisements of steamship companies, and the bankers who are exporters of gold.

Senator OVERMAN. Are these foreign newspapers subsidized?

Mr. STEINER. In certain cases they are; in certain instances.

Senator OVERMAN. By the Government?

Mr. STEINER. President Pirnitzer, of the Transatlantic Trust, once wrote about subsidies, and he requested the Hungarian Government to furnish a great amount of money to buy some of these papers.

Senator OVERMAN. These same papers are being circulated by means of subsidies from the steamship companies, and from these advertisements. That is the way they live and have their being? They could not live by the subscriptions made to them by the subscribers, could they?

Mr. STEINER. They could not enjoy their lucrative position if they would not be dined and wined in Europe at their frequent visits over there, and they would not have the importance which they derive this way.

There is another thing. These foreign-language papers, which are published so that the immigrant would be Americanized, would learn English sooner or later, would read the American papers, and thus he would lose his subscriber and probably also much advertising.

Senator OVERMAN. They would lose the advertising?

Mr. STEINER. Yes.

The fourth and a most important factor is the clergy. The priests and monks speculate upon remigration. They are afraid that the members of their congregations will join American churches, and thereby lose in their power to preach old-country traditions, and keep alive the love for the Fatherland. Many draw salaries from their respective Governments, and we have found instances where it was possible to buy a church outright, because those loyal American immigrants have established the same and were well to do and prosperous, and did not want to come under the jurisdiction of the government from which they departed to come to the land of freedom. In every locality where a competing church would be erected in the very same locality, a subsidized or salaried clergyman was put in charge, so as to combat Americanism, and a school has been established and maintained, with a salaried teacher who will preach only traditions of the old country, and will teach only the history and the geography of the respective countries from which they originally came, and only the national anthems of the respective European countries are sung, and Americanism is combated in those schools.

The fifth factor is the worst of all. This consists of those local men who come in daily contact with the immigrants, who pose as bankers.

More than a dozen years ago I originated legislation, and a bill was in an amended form enacted in New York State, and other States followed. We have at the present time legislation in five of our States, New York, New Jersey, Pennsylvania, Massachusetts, and Ohio. The aim of this law was to prevent the embezzlement of immigrants' money. The other 43 States have no legislation along these lines, and in Chicago, for instance, bad conditions exist. About two years ago we had a regular epidemic of private bank failures. Anybody, a crook or ex-convict, may engage in banking, rent an office, and get some second-hand furniture, represent himself as a most reliable banker, and exploit the immigrant. And this is the worst feature of it, that so many factors work for the alienation of the immigrant for preventing him from becoming Americanized and making him export his savings, but nothing practical is done for his Americanization. There is no money in it, but there is lots of money on the other side of the fence.

Senator NELSON. What was the attitude of the Hungarian population here during the war?

Mr. STEINER. I am glad to say that almost without exception they were loyal to this country.

Senator NELSON. Were there any of the professors and educators or leading editors that were pro-German?

Mr. STEINER. With hardly any exception all were proally and against the Germans. We have in evidence large numbers of articles, however, which prove that a propaganda upon a most intensive plan has been conducted by certain editors and others for the Kaiser.

Senator OVERMAN. Did not Mr. Creel organize some league for the Hungarians to see that they were for the allies?

Mr. STEINER. I am awfully sorry that that bureau did more for the Europeanization of the immigrant than his Americanization. The old country was glorified and its national anthem was sung. Finally, I requested that somebody say a word for our liberty bonds, and afterwards, in a half-hearted way, some talk was made about our liberty bonds.

Senator OVERMAN. Do you know Konta?

Mr. STEINER. I am sorry to say I do. Still he is not half as bad as Hammerling.

Senator NELSON. Did the Creel bureau subsidize any of the Hungarian papers?

Mr. STEINER. No.

They turned loose Mr. Konta, who has asked everybody to contribute a dollar for a sort of certificate or card, loyalty card, without investigating whether he was loyal or not, whether he was an ex-convict or not, whether he was a Hungarian or not. The money collected that way was used for stuffing the respective Hungarian newspapers, and they received big advertisements, well paid for, and a number of their own people had been paid to travel around the country. The better element of Hungarian immigrant considered it a monumental humbug, I am sorry to say.

The State legislation in the five States tries to prevent dishonesty as far as banking is concerned, but the propaganda for the exportation of the savings has never been obstructed, and as far as the support itself is concerned, it may probably be best for the United States not to obstruct it directly, but the solicitation, this propaganda, this going to extremes, should somehow or other be regulated and supervised. It should not be permitted for the banker to stop an immigrant on the street and say, "I have not seen you for the month. You are not exporting your savings, are you? If you do not, I will have you fired from the factory where you work. To-day's agent I am paying 25 cents on every hundred kronen, and I guarantee you that you would not get another job in another factory if you lose this one. You might migrate to another State, but I will bother the life out of you." This sort of propaganda should be stopped by Federal legislation. It is an interstate and international matter. Immigrants are really loyal, and without this agency they would become good Americans. Pirnitzer, of the Transatlantic Trust Co., in spite of having the embassy and his organization, has to expend, according to his own figures, \$254,000 for propaganda with the foreign-language newspapers.

Really the Transatlantic Trust Co. has never been a bank in the proper sense of the word. It was a pumping system whereby the savings of the Hungarian have been sucked out. He had to have the savings of immigrants, otherwise he could not have survived in business.

Senator OVERMAN. What is your remedy for stopping the export of these savings abroad?

Mr. STEINER. I would propose, Senator, that the bill introduced by Senator King day before yesterday should be enacted, to the effect that those persons, firms, unincorporated associations, or corporations which are engaged in the exportation to Europe of sums of a hundred dollars or less should be licensed. It provides that any person or branch of a concern engaged in this sort of business should pay a license fee of \$1,000 a year for each and every one of its branches and that they should be compelled to deposit at least \$10,000 in securities or in cash in our Treasury so as to guarantee honest dealing with the immigrants, which minimum amount should be increased in proportion to the month's export. And I would recommend that they shall be prohibited from carrying on propaganda and soliciting the savings of immigrants for export by oral, written, or printed advertising and in any other shape, manner, or form. If any immigrant wants to send his savings, let him do so, but get rid of the propaganda.

Senator NELSON. Has the Creel bureau done anything to stop the exportation of funds to Hungary?

Mr. STEINER. Not that I have ever heard of.

Senator NELSON. Are you acquainted with Mr. Creel?

Mr. STEINER. I have spoken to that gentleman two or three times.

Senator NELSON. Is he of Hungarian extraction?

Mr. STEINER. I do not think so.

Senator NELSON. You are sure about that?

Mr. STEINER. I am not sure about it. I am under the impression that he is a native American.

Senator NELSON. A native American of Hungarian origin?

Mr. STEINER. No. I am morally certain that he is not.

Senator OVERMAN. What is your business, Mr. Steiner?

Mr. STEINER. At present I am employed by the War Trade Intelligence. Before that I was employed by the Alien Property Custodian, and I induced them, after much talk, to conduct the investigation of the Transatlantic Trust Co., and I have conducted that investigation. Before that I was employed by the Union Pacific System. I tried to colonize these immigrants on American farms, and I have been employed years ago in the New York State Department of Agriculture for the same purpose. I am a student of social-economic matters and a writer.

Senator OVERMAN. I am glad I asked the question so that we may have it on the record who you are.

Mr. STEINER. I believe, Senators, that the immigrants would be glad to become Americanized and stay here, and if any members of their families are still in Europe to get them here. The Nepszava, one of the worst Hungarian daily newspapers in the United States, just before the war, about two years ago, it is reported, made a sworn statement to the Post Office Department that they had some 47,000 subscribers. Then this artificial propaganda had to stop on account of the war, because patriotism flamed up in the breast of every immigrant to such an extent that if they had continued their pro-Kaiser policy they probably would have been lynched. Therefore the propaganda stopped to an extent, and some three months ago the same newspaper, which for certain reasons is much more interesting now than it ever was before the war, reports a total number of subscribers in its sworn statement of some 17,000, in two and a half years being reduced from 47,000 to 17,000.

In Chicago there is one of these Hungarian Calvinist churches, the clergyman of which was paid a monthly salary by Hungary, which just before the war had some 250 members. At present it has only about a dozen, so I am told. The salaries of the clergymen were cut off, of course, during the war.

Senator OVERMAN. Has any work ever been done by the I. W. W. among these Hungarians?

Mr. STEINER. There is some work conducted, but I want to hope that most immigrants will not lend ear to these evil tenets. Still it is an undeniable fact that among these immigrants there is quite a deal of agitation at the present time for carrying on Bolshevism, anarchism, and all kinds of other tenets, in certain sections, especially in the east side of New York City, and on the Pacific coast, and in other industrial centers.

Senator NELSON. Is there quite a smattering among the mining population?

Mr. STEINER. Some of them, but not to a very large extent, I want to hope.

Senator OVERMAN. Do you know how they regard the red flag; whether they have it in any of their meetings?

Mr. STEINER. Most of these immigrants are loyal to America. They are not anarchists. If only their hunger for land could be satisfied in the United States they would become responsible citizens.

Senator OVERMAN. Why do you not take some means to get them on farms?

Mr. STEINER. My bill introduced January 19, 1918, in the House of Representatives by Mr. Lobeck, and a few days later by Senator Lewis in the Senate, provides for putting those who are qualified to be they immigrants or natives or soldiers or marines, on farms in the United States, to be paid for by the settler, out of the crops raised by them. This sort of work has been successfully conducted by the British in Canada and also in Australia. It has been successfully conducted by other Governments. It is no more an experiment. I feel sure that if that bill were enacted, it would better condition.

Senator NELSON. Is not one trouble this, that many times the immigrant stops here in the big cities in the East, and in the manufacturing centers, and does not go West? We have one class of migrants that do not stay in these manufacturing centers, but go West and get land.

Mr. STEINER. The Scandinavians, Hollanders, and Bohemians.

Senator NELSON. Yes; and these others stop in the big centers. I do not know of a single Hebrew farmer in the State of Minnesota, and we have plenty of good land, plenty of good farming land. I have not come across a single Hebrew farmer. Can you account for that?

Mr. STEINER. They are a nonagricultural race.

Senator NELSON. That is it.

Senator OVERMAN. I know two organizations in my State, organized to make money, I suppose. One of them organized a colony and took them to about the poorest land in the State, and sold it to them at enormous prices. But they went to work and built houses and paid for the land, and it is now the most prosperous section of the State. They have built a cotton mill, their own schools, their own churches. I passed by on the Fourth of July and saw a flag on every house. They are Waldensians, from northern Italy.

Senator NELSON. They are the original Protestants.

Senator OVERMAN. There is another colony down in the eastern part of the State. They have done splendidly. They have paid for their farms in about four years.

Senator NELSON. Some of the best farmers we have in the West are Bohemians.

Mr. STEINER. They are good farmers.

Senator NELSON. They are good farmers, but they drink a little whisky. They are among our best farmers—industrious. They get land that is poor and in a few years they become well off, and have raised good big families.

Mr. STEINER. I might tell you also that this Transatlantic Trust Co. has been a governmental institution. I have located, among the papers, a letter of Prime Minister Tisza, of Hungary, giving orders to establish branches under the jurisdiction of the Austro-Hungarian consulates, and branches were established in St. Paul, New Orleans, and other places, and I have also seen the reply in which it is stated that the orders are being carried out so as not to interfere with the American laws. The branch banks have been called correspondents of the Transatlantic Trust Co. The Transatlantic Trust Co. has never been a bank, really, but was only an exporter of goods. That is proved.

Senator NELSON. You are aware, Mr. Steiner, of the fact that Jews are handicapped in this country; that we have no law for the

tion of Federal corporations. All these corporations that we have established in this country are incorporated under State laws, with the exception of our national banks and a few railroads that got land grants. With those exceptions, they are all under State charter, and it is a pretty difficult thing to reach them by the Federal Government.

Mr. STEINER. There is also my bill before Congress proposing that our United States postal savings banks shall be made efficient, to raise the rate of interest, and increase their number. I would have a branch postal savings bank at each and every one of those sections where there are a great number of employees, for both immigrants and natives are in need of such trustworthy depositories. Then, also, the offices of employers of a great number of laborers could be fitted out, and have a postal savings branch. Instead of that our postal banks are inferior to those of European countries, and the number has decreased from 13,000 to about 6,700.

Senator OVERMAN. Do you know the total deposits in the postal savings banks?

Mr. STEINER. About \$175,000,000, while the normal export of savings amounts annually to about \$400,000,000. I know that, for instance, the Hungarian royal postal savings banks have more than 1,400,000 depositors.

Senator NELSON. The postal savings interest is only 2 per cent.

Mr. STEINER. That is all, and they have an impractical system of receiving deposits, and withdrawing, and they are not available for a great number of those who should use them.

Senator NELSON. If the interest rate were increased to 3 per cent that would help?

Mr. STEINER. That would help.

An aggressive campaign for getting the deposits of these immigrants has been disclosed during the last few months, first of all by the Transatlantic Trust Co. This company, after it became impossible to export savings, instituted the so-called kronen deposits, and dollar deposits, which are simply a subterfuge to handle money, and have it ready for export at the end of the war. As soon as the Transatlantic Trust Co. stopped the exportation of savings in April, 1917, it had a deficit of over \$6,000 a month.

Senator OVERMAN. This bank to get these deposits was organized and established after our postal-savings banks were established. Was not that done in order to compete with the postal-savings system?

Mr. STEINER. It was, but before this Transatlantic Trust Co. established its present bank, the Hungarian-American State Bank had been established by some of the same people, and by the Government in Hungary.

Senator OVERMAN. That has been established in New York City since the signing of the armistice?

Mr. STEINER. No; before the establishment of the Transatlantic Trust Co.; I believe about two years before the establishment of the Transatlantic Trust Co. The Hungarian Government had the idea of competing with our postal system, and to keep the immigrant away from everything American, and they carried it so far, as our records prove, that even the second generation, the American-born

children, are being preserved for the old country with a view to remigration.

Senator OVERMAN. Do they discourage the teaching of English in our schools?

Mr. STEINER. They do. One of the gentlemen, Maj. Crockett of the Military Intelligence, has been conducting an investigation and has obtained much evidence. He wrote to me about six weeks ago that they had got hold of a prayer book printed by this congregation, which is subsidized by the Hungarian Government, and that the prayer book urges parents to keep their children out from American public schools, because otherwise they will become a loss to Hungary, and the respective section was finished with the sentence

The parent who sends his children to the American public school shall be hanged.

Senator NELSON. Is that practice general, of keeping the children away from American schools?

Mr. STEINER. It is practiced in a good many instances in different sections. Even in quite a number of the Bohemian settlements in the West they do not speak the American language, and they discourage the speaking of the Bohemian language and the Bohemian language only.

It is an established fact that in a good many States there are German schools in which the American language is not spoken, but German history, German poetry, and German literature prevail to recent time.

I should like to call your attention also to the following fact: during the last few weeks while in the Middle West we found that the immigrant during the war had earned much higher wages than ever before, but that the immigrants had not been exporting their savings as in normal times, and that our American banks had not got that money. We believe that that money is hoarded, and in a great many instances we were furnished information corroborating this statement. It is estimated that an amount not less than \$15,000,000 is hoarded by immigrants in belts, in stockings, and in crevices of floors and walls, and this is being held by the immigrants with the intention of exporting it after the war.

An unscrupulous element is telling them that any number of widows will be ready for the returned able-bodied men, and going to the limit of bestiality, they are saying that there are large numbers of orphan children that can be robbed because their parents have died in the war. It is said that about 5,000,000 resident immigrants are ready to return immediately to Europe when transportation can be possible, and I believe every effort should be made to make stimulation of remigration impossible. They are hungry for money in the United States, and if they could engage in agriculture in the United States and be furnished a reliable depository where they could accumulate their savings and not be compelled to export to Europe, they would keep their savings here. Obviously, a system should be found for inducing them to settle down here for good. The export of their savings would be stopped automatically then.

The Transatlantic Trust Co. is being liquidated at the present time, though it is not being done at a very rapid rate. After having done all that it was possible to do to induce the Alien Property Custodian to disseminate proper information among the dependents

and to consummate liquidation, on the 6th day of January, 1919, the Transatlantic Trust Co. has disseminated a circular of which this is a part.

Senator NELSON. What year?

Mr. STEINER. This year, 1919. January 6, 1919.

Senator NELSON. But it is in the hands of the Government?

Mr. STEINER. Yes. This is signed by the president appointed by the Alien Property Custodian:

Your money will be safely kept for you until commercial relations are resumed with Hungary, Austria, and Germany. and payment can then be made either with kronen or in marks.

That is the way they liquidate.

Senator NELSON. That is, he will keep it so that it can be sent to Hungary?

Mr. STEINER. That is the Alien Property Custodian's letter.

Mr. KINNICUTT. That is in connection with the request that they withdraw their deposits; that the bank is being liquidated. I think the rest of the letter should be read. That portion read gives a wrong idea. The point is that they do not need to take out their money, as it is not going to be lost.

Senator NELSON. So that they can send it to the old country after the war. That is what it is.

Mr. STEINER. It is a plan to keep this bank intact and keep a trained force and organization together, so that after the war is over they can do business again, whether the Kaiser is back or not, and hand the business back again to anti-American interests to be conducted under another name.

(The letter referred to is here printed in the record, as follows):

[Branch: To be discontinued Jan. 18, 1919. 109 Avenue A, corner Seventh Street.]

TRANSATLANTIC TRUST COMPANY,
67 WILLIAM STREET,
New York, January 6, 1919.

To the Depositors of the Transatlantic Trust Company:

The Officers of the Transatlantic Trust Company appointed by the Alien Property Custodian to liquidate its affairs, sent you on November 30, 1918, a circular letter, advising that the business of the Company would be wound up and the Company liquidated and dissolved.

A large number of depositors have already closed their accounts, and in order to facilitate the closing of the affairs of the Institution and completing its liquidation, we are sending this second notice to those who have not withdrawn their balances.

The Directors have agreed, for the present, to continue the rate of payment on Kronen Deposits at \$10.00 per 100 Kronen, and on Mark Deposits, at \$15.00 per 100 Marks.

The representatives of the Alien Property Custodian desire to know whether you have received this letter and if you desire to close your account on the terms suggested.

If you desire to now take advantage of these rates you are urged to send in your passbook, pursuant to instructions, at an early date. If you do not at this time wish to withdraw your funds, kindly advise us by returning to us the enclosed card, provided with your signature and correct address, and then, your money will be safely kept for you until commercial relations are resumed with Hungary, Austria and Germany, and payment can then be made either in Kronen, or in Marks.

The representatives of the Custodian, however, are anxious to close the business of the bank, and will appreciate your cooperation for that purpose.

Yours truly,

B. S. FREEMAN, *President.*

Senator OVERMAN. Who is this man Freeman?

Mr. STEINER. He is the president at the present time of the Transatlantic Trust Co., appointed by Mr. A. Mitchell Palmer.

Senator OVERMAN. Of what nationality is he, do you know?

Mr. STEINER. I believe he is a native American; so I was told.

Senator NELSON. His name indicates that.

Senator OVERMAN. Yes.

Mr. KINNICUTT. He wrote a letter, made a report, or something on his behalf, recently, showing that the deposits had all been dated to a very large extent, I think over 50 per cent, and the bank is now in process of liquidation.

Senator NELSON. That means the depositors are going to get their money?

Mr. KINNICUTT. They have taken out several millions of dollars.

Senator OVERMAN. What effort has been made to keep that money in our own banks?

Mr. KINNICUTT. I think I can give you some information on that. I happened to see a gentleman in charge of the international money service in the post office the other day and he stated that Freeman himself has recently given him a list of the depositors who had withdrawn their money, with a view of getting them to deposit it in the postal-savings bank. I have always recommended it. I believe Judge Delehanty recommended the same thing.

Capt. LESTER. It is a fact, is it not, that all these correspondent or branch banks were dissolved; that is, they no longer form a part of the Transatlantic Trust Co.?

Mr. KINNICUTT. The Trust Co. never did establish a legal branch in any State. They tried to in Cleveland, and they ran up against legal difficulties, but they found they got along perfectly well when we call them correspondents, because it was not a banking business—merely collecting money orders to send to New York.

Senator NELSON. To send it to them in New York?

Mr. KINNICUTT. Yes, sir. Mr. Pirnitzer says in his report to the minister that they will pose as correspondents.

(Matter later submitted by Mr. Kinnicutt was ordered inserted in the record and is found on pp. 2866-2899 post.)

Senator OVERMAN. Are you through, Mr. Steiner?

Mr. STEINER. I would like to request that systematic work be conducted not only among the immigrants but also men released from the Army and Navy. It is only a question of time before the problem must be solved, and I would recommend that remedial measures be taken to make the postal savings provide a better depository; measures be taken to prohibit the artificial stimulation of the immigrants to export their savings; and, finally, make it possible for immigrants to settle down in the United States and acquire a home in an agricultural community, with the land around them, with schools, churches, and all the other things that are found in a village system of Europe.

Senator OVERMAN. What language newspapers?

Mr. STEINER. The best thing to do is to conduct them in both languages. That

arrived immigrants to learn the English language. Bear in mind that during the last four years we practically received no new arrivals. Therefore this is the time to act. The resident immigrants have learned some of our language.

Senator OVERMAN. Mr. Steiner, I see you are a very intelligent man and have studied these questions. What is going to happen after the war; do you think we will have an influx of immigration in this country?

Mr. STEINER. I think Europe will prohibit emigration for at least 10 years, as far as able-bodied men are concerned. I was told that as far as Austria-Hungary is concerned, about two years ago they had a bill ready whereby it is prohibited to emigrate under the penalty of court-martial and having all their property, including cash in the banks, confiscated.

Senator OVERMAN. So you do not look for much immigration?

Mr. STEINER. I do not look for any immigration at all from Europe.

Senator OVERMAN. What do you think will be the desire of these people—to emigrate back to Europe?

Mr. STEINER. These people have no choice. They realize that industrial life will not provide for them wages in old age, and they calculate that if they have a little money—\$800 or \$1,200—that would not last them long for food, shelter, and clothing in the United States. But if they return with it to the old country, it will be possible to acquire, say, a quarter of an acre of land, and on that they can eke out a living.

Senator OVERMAN. If they took that \$1,200, they could buy 25 acres of land in this country with it.

Mr. STEINER. Senator, I think that it is a problem to be solved by the Government, and it would be one of the best investments made by the United States. At the present time it takes about \$5,000 to equip a farm, to have lands and buildings and two horses and a cow and two pigs and a few dozen chickens, a wagon, a plow, a harrow, and a cultivator.

Senator NELSON. You are too extravagant. I have known men to start out with much less and make a success. I have known men to start out with one cow, one pig, and a pair of steers and nothing else, and they have turned out to be our best and most well-to-do citizens. You would spoil them if you would start them out in that way.

Mr. STEINER. The average twentieth century man is not inclined to go out in the wilderness and be isolated, with no churches, no schools, no social life, and starve to death. Our history proves that usually it was the second generation that succeeded in farming.

Senator NELSON. You are way wrong. They go out there on the frontier and take out their homesteads, and they will establish schools and roads and build churches right away. That is about the first thing they do—establish churches and the schools. They do that; they do not wait for the second generation.

Mr. STEINER. Senator, it is the history of the West——

Senator NELSON. You come out to Minnesota and I will show you.

Senator OVERMAN. This colony that I was telling you about, I do not suppose they had more than one pig, one cow, or more than one horse. It is the richest part of my State. These people have made money and got a big cotton mill. A man came to see me the

other day from this community that has established this cotton : and it is paying 25 per cent.

Senator NELSON. Mr. Steiner, the men that came with the money to start with were the ones that made a failure. They were uneasy until they had spent the money, and they did not get at all. The first thing they did in the way of farming was mortgage the land.

Senator OVERMAN. I want to ask you this: Have you any have you made any estimate, of how much money there is now deposit in Hungary by these Hungarians now in this country, over by the Hungarians from this country?

Mr. STEINER. It is very hard for me to tell. Hungary received about a hundred million dollars during the past, in normal years, how much has been withdrawn for all kind of land schemes—they are regularly fleeced with all kinds of land schemes—

Senator OVERMAN. The same as here?

Mr. STEINER. Yes.

Senator OVERMAN. Could you approximate it? It must be hundreds of millions of dollars.

Mr. STEINER. I could not approximate on that, but I could give you some interesting information about the other finances of Austria-Hungary, taken from the New York Times, in which it says: Austria-Hungary absolutely depends upon the exportation of goods. Otherwise she is bankrupt.

In the New York Times of June 28, 1918, this appeared:

AUSTRIA APPROACHING FINANCIAL COLLAPSE—ISSUES OF PAPER MONEY COLLOSSAL—LOOKS TO SUBJECTS HERE FOR AID AFTER THE WAR.

By JULIUS WEST.

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LAUSANNE, June 25.—Last night I was to attend the meeting of the Statistical and Economic Club. The speaker was an Austrian, Dr. Hertz. His subject was, "The Financial Position and Prospects of Austria-Hungary." The audience numbered barely a couple of dozen, but as the members were mostly bankers the matter was hotly argued by those present.

It was obviously the lecturer's business to show matters in a rose-colored light. Dr. Hertz did his best for an hour and a half, but as the audience was mainly made up of financial experts, excessive use of the imagination was clearly inadvisable.

The total debt of Austria and Hungary now exceeds £4,000,000,000. Paper money issues are colossal and prices are soaring accordingly. And what hope is there of ever getting rid of this debt?

Some solution had to be put forward, and Dr. Hertz was ready with one. After the war, he said, the Czechs and Southern Slavs, now in America, will resume the habit of sending home remittances. This will rectify existing conditions, and if only the emigrants pay up the arrears, due from their relatives at home, all will be well.

The bankers of Basle, men mostly of German blood and by no means Anglophobes, shook their heads sadly.

An Austrian, who recently arrived in Switzerland after a short stay in Berlin, said that there was an extraordinary difference of feeling between Vienna and Berlin. In the former city everybody wanted peace; in the latter nobody. While the German war party was led by the Emperor, the Austrian peace party was led, though less ostentatiously, by the Empress.

Senator NELSON. Let me ask you, Mr. Steiner, do the farmers in the Hungarian system live in villages or do the men live on the farms?

Mr. STEINER. The peasants live in a village and have little plots of land outside the village.

Senator NELSON. They live in little villages and then they go out into the country and till their plots of land?

Mr. STEINER. Exactly, that is so; while the landed and aristocracy have got big estates, with servants, married and single servants, living together. My grandfather and father have been farmers, what you would style a gentleman farmer. They had a number of servants, married and unmarried. My father rented 40,000 acres, which would be equivalent to about 50,000 acres here.

Senator OVERMAN. He had his tenants?

Mr. STEINER. No tenants, but servants; married and single servants. There were half a dozen overseers looking after these servants.

Senator OVERMAN. Did they live in a little village or in one place?

Mr. STEINER. In a single village. Such men as the shepherds would be in one place, while the pigs and their herders would be in another, and those men who do the plowing are in still another place, and the horses and cows with their attendants are again separated, and there is the barnyard, and the vegetable garden tenders who live on the estate.

Senator OVERMAN. They had an overseer on your place?

Mr. STEINER. Yes, sir. The overseers would be in charge of everything, each having two or three assistants. But that is on the great estate, while the peasants live in villages.

Senator NELSON. How do they pay these hundreds of servants?

Mr. STEINER. Very, very poorly. They can hardly earn enough to satisfy their hunger. A Hungarian peasant after having served three years in the Army returns home, and will somehow manage to buy one dark-blue woolen suit, a suit that he will wear all his life, and be buried in. He wears it only on Sundays during winter. You can see him stand before his house. He will not sit down because he could wear it out.

Senator NELSON. What are the houses built of?

Mr. STEINER. Sometimes mud walls.

Senator NELSON. And thatched roofs?

Mr. STEINER. And thatched roofs. And they are all hungry for land, and they all are engaged in some sort of agricultural work.

Senator NELSON. There is no show for the poor people to buy land?

Mr. STEINER. Take a woman, for instance, who has a dozen and a half boarders, of which nine will sleep in three double beds by night, and another nine by day, and she has to do all the cooking, and stand for much trouble. But after a while she gets tired of it and would like to have her own home, and the man is tired of being ordered around by the foreman at the factory. He finds it impossible to get home here and finds it impossible to acquire land in this country, and finding it impossible to satisfy his hunger for land, they emigrate.

Senator OVERMAN. We are very much obliged to you, sir. Your testimony has been very important and interesting.

(Thereupon the committee, at 1.15 o'clock p. m., adjourned until Tuesday, February 4, 1919, at 10.30 o'clock a. m.)

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, FEBRUARY 4, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met at 10.30 o'clock a. m., pursuant to the call of the chairman, in room 226 Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman (chairman), Wolcott, Nelson, and Sterling.

Senator OVERMAN. At the request of Senator Thomas of Colorado, order the following letters to be put in the record.

(The letters referred to are here printed in full in the record, as follows:)

UNIVERSITY OF COLORADO,
DEPARTMENT OF HISTORY,
Boulder, Col., January 26, 1919.

Senator CHARLES S. THOMAS,
Washington, D. C.

DEAR SIR: I notice in the papers that my colleague Dr. Frederick A. Busbee has mentioned before The Senate Investigating Committee by Mr. Stevenson as a pacifist and radical of a presumably dangerous type.

It happens that Dr. Busbee is a neighbor of mine whom I have known for seven years. Upon the basis of personal knowledge I can state that the charges are utterly false. He has been in full sympathy with the cause of the allies since the outbreak of the European war and can not, on any basis whatsoever, be considered disloyal or lukewarm in his loyalty. Nor is he a thinker of the type referred to. The charges of Mr. Stevenson are not only groundless but foolish.

If it is in your power to do anything to get Mr. Stevenson to prove his charges or retract them you will be doing only justice to Dr. Busbee.

Very truly yours,

(Signed) JAMES G. WILLARD.

UNIVERSITY OF COLORADO,
Boulder, Colo., January 26, 1919.

Senator CHARLES S. THOMAS,
Washington, D. C.

MY DEAR SIR: I was much surprised to see my name included in the list of persons holding "radical or pacifist views," which Mr. Stevenson presented to the Senate Committee. Permit me to say that there is absolutely no reason for such a charge against me. I consider it a slander, and I want the matter made right. As Mr. Stevenson cannot substantiate such a charge with any reasonable evidence he should publicly retract his statement. I have been strongly pro-ally from the beginning of the war and have been an ardent supporter of the war, and shortly after we entered the contest I offered my services to the government. As to the question of radical views I hold just about as radical views as President Wilson does. I voted for President Wilson and have actively supported him throughout his administration; and when Mr. Stevenson puts my name in a list of suspected persons he does not know what he is talking about. The senate has no business to permit names

to be printed as suspicious when they know no more about them than I evidently do about me.

I have written a letter of protest to Mr. Stevenson but to my protest to you I should like to add that the administration is not itself any, nor is the Democratic party improving its position by dastardly attacks like this on its friends and supporters. To quote an impartial man out here: "Such tommy-rot as that is simply making a lot of Republicans. People here think it ridiculous that my name should be in any such list.

I ask that you investigate this matter and if possible have my name removed from the list and set the matter right before the public. The error is to do me and the University of Colorado much harm.

Very truly yours,

(Signed) FREDERICK A. B.

Senator OVERMAN. I have received a letter here from Mr. De Ford, general counsel for the Hearst corporations and newspapers. Mr. De Ford was approached and asked that Mr. Bradford E. Merrill might come here and bring some newspaper editorials and other things to be put in the record, after examination and a statement of Mr. Merrill. Mr. Merrill has concluded that he would not come, so that Mr. De Ford brought these exhibits here. One is entitled "Critics' Exhibits." Mr. De Ford has sent a copy for each member of the committee. It is proposed to bring these exhibits here. One is entitled "Critics' Exhibits." that it would cost the Government a great deal of money.

Senator NELSON. We can not put them in the record. You know there was the same sort of thing gotten up about the Chicago Tribune, and we did not put that in the record.

Senator OVERMAN. These cartoons would cost the Government a great deal of money, and all these exhibits here, and editorials. That I suggested to Mr. De Ford that if they would furnish them to us, they would be filed, but we would not put them in the permanent record, which seemed to be satisfactory to him, and he wrote me this letter.

Senator NELSON. If this were filed, I should ask to have Mr. De Ford's lecture on the subject put in as a counter irritant.

Senator OVERMAN. Mr. De Ford's letter is as follows:

WASHINGTON, D. C., February 3, 1917

Hon. LEE S. OVERMAN,

Chairman Subcommittee of the Committee on the Judiciary,

United States Senate

DEAR SIR: Pursuant to the arrangement made with you in our conversation this morning, I herewith transmit (to be incorporated in the record of testimony taken by your committee) the following self establishing exhibits:

(1) A pamphlet entitled "Critics' Exhibits" containing complete graphic copies of all the editorials and cartoons offered in evidence before the Committee, but, in some cases quoted or offered in part;

(2) A pamphlet entitled "Hearst's War Policies," containing photographic copies of articles and cartoons from the Hearst papers before and after the United States entered the war.

I should like to have these pamphlets printed at large as a part of the record of the evidence taken by your committee; because if it is right that they should be received in evidence, it is right that they should be printed as a part of the evidence taken.

If your committee should deem it inexpedient to print the exhibits herewith enclosed as a part of the record of your proceedings, I shall be glad to have the Committee bound volumes containing the pamphlets to be received by the committee as a part of the permanent records of its proceedings.

With great respect,

Very truly yours,

(Signed) Wm. A. DeFord

General Counsel Hearst Corporation & Newspapers

I suggest, gentlemen, that these exhibits be filed and not printed in the record, being filed as exhibits as part of the records of the committee, and if they desire to send bound volumes instead of the exhibits in their present shape, we would be very glad to have the bound volumes to be filed with the committee.

Capt. LESTER. That pamphlet of Mr. Beck is The Evidence in the Case, is it not, Senator?

Senator NELSON. No; not The Evidence in the Case. That is his big book. This is a pamphlet, a lecture, where he summarizes Hearst's attitude in the papers.

Capt. LESTER. Is that the lecture that he gave at Cardigan Hall?

Senator NELSON. I forgot whether it is or not. I had it from the Congressional Library, and sent it back again. I do not remember the exact title. It is just a small pamphlet.

As I understand this matter, Critics' Exhibits does not go into the record?

Senator OVERMAN. No; it is to be filed as a part of the records of the committee.

Senator NELSON. If it is filed as a part of the records, then I want to file Mr. Beck's lecture on the same subject, relating to the same subject matter.

Senator WOLCOTT. I object to that. Is that an argument and comment on Hearst?

Senator NELSON. No; it cites quotations from his papers.

Senator WOLCOTT. Does it discuss those quotations and comment on them?

Senator NELSON. Yes; the same as this [indicating the Critics Exhibits].

Senator WOLCOTT. No; I object to that.

Senator NELSON. Then I object to these going into the record.

Senator WOLCOTT. I think that any editorials very properly should go in, but as I understand—I have not looked at this—this is not a copy of editorials, and comments thereon. This is just the bare editorials, which speak for themselves. Now, if there are any editorials that anybody has to suggest, from Hearst's papers, that are offered to go into the record, I would not object; but if we are going to have editorials together with comment and argument thereupon, that does not seem to me to be in reply to these editorials.

Senator NELSON. Please enter my objection to these going into the record.

Senator OVERMAN. We will just leave this matter open until we get the full committee together.

Senator NELSON. Yes.

Senator WOLCOTT. My theory is that when we let in an argument in these editorials, we have then got to hear somebody on the other side, if they offer themselves, and there will be a protracted argument as to what they mean.

Senator NELSON. Why should we put them in the record?

Senator WOLCOTT. I do not understand that this pamphlet here, Critics' Exhibits, constitutes an argument, but that it is only the editorials from the papers, and if there are any editorials that seem to go contrary to these, I would not have any objection to that at all. I think they would be pertinent. It is the matter outside of the editorials that I am objecting to.

Senator NELSON. Yes. Well, this is something that they have picked up and sent over here.

Senator OVERMAN. Are there any more letters you have there, Mr. Lester? I gave you a lot of correspondence. If any of it shows up in the record, let us have it. I want to get through with this.

Capt. LESTER. There is one letter here from Mayor Hylan, which he takes exception to the fact that his name is in the record. His name came in in conjunction with an association. The chairman of the committee tells me that he has written him explaining it.

Senator NELSON. What is the use of going on, anyway, with this investigation after the Secretary of War has issued his order?

Senator OVERMAN. If the Secretary refuses to send us what we want, what is the use of going on? Senator Sterling, you saw the general order that the Secretary of War issued about furnishing papers?

Senator STERLING. No; I think not.

Senator OVERMAN. These departments of the War Department were ordered not to furnish any papers except with the consent of the head of the department.

Senator NELSON. The Secretary of War is assuming that he is the judge, and not the committee.

Senator OVERMAN. The United States Senate, you know, when they want any papers, in asking for them always put in the resolution with the proviso, "If not incompatible with the public interest." The Secretary of War may think it is not compatible with the public interest to furnish papers, and withhold them, as all the departments do, and also the President. That is in the text of every resolution that passes the Senate or the House asking for papers. They are requested, if it is not incompatible with the public interest.

Senator WOLCOTT. Has it ever been recognized that a committee of Congress could not summon a witness out of the department and examine him?

Senator OVERMAN. Never in the world.

Senator WOLCOTT. And have him tell out of his head what he knows?

Senator OVERMAN. Never.

Senator WOLCOTT. I know that during the Civil War days they yanked generals right out of the field and brought them before committees of Congress and had them testify.

Senator OVERMAN. They can do that, and the Secretary recognizes they can, but with regard to his papers in his office——

Senator WOLCOTT. I think we can call the Secretary himself before the committee.

Senator OVERMAN. We can. We can call him right down here and he recognizes that.

Maj. HUMES. Pardon me, but the order goes further than that. It prohibits any one in the Intelligence Department from imparting information that has come to his knowledge.

Senator OVERMAN. It does?

Maj. HUMES. Yes.

Senator OVERMAN. Where is that order?

Senator STERLING. I have it here. Shall I read it?

Senator OVERMAN. Yes; I wish you would.

(Senator Sterling read the order aloud. The order referred to appears in full on pages 2922-2923.)

Senator NELSON. In view of this letter of the Secretary of War, I do not see any use of proceeding further with this investigation.

Senator STERLING. Well, Mr. Chairman, I would respectfully dissent from that.

Senator WOLCOTT. There is dissent in my mind, too.

Senator NELSON. I want the public to know that the Secretary of War is putting a veto here, and embarrassing this committee in securing information. I want the public to know that fact.

Senator OVERMAN. I think, Senator, that the Secretary would send any papers down here that we requested, or give us the right to summon anybody. Of course we have the right to summon whom we please. He has no right to interfere with us, and he recognizes that; but as to papers in his department, he contends, as I understand his position, that if there are any papers there that it would be incompatible with the public interest to furnish this committee, he has a right to deny them and not send them, just as any other department does. That has been recognized in the departments for a hundred years, and by Congress.

Senator NELSON. Let me call your attention to this first clause—

Senator OVERMAN. I sent a letter to him asking that certain papers be sent to the committee yesterday or day before. I received a letter from Gov. Mann of South Carolina and ex-Senator Benet stating that there was a man down there by the name of F. J. H. von Engelken, who had been chairman of the Farm Loan Board there, and that he was pro-German, making serious charges against him, and asking us to investigate him. In response to their request, coming from ex-Senator Benet and ex-Gov. Mann, of South Carolina, I wrote a letter.

Maj. HUMES. That is a copy of the memorandum, and indorsed on that was the request that the papers in connection with that matter be furnished to the committee.

Senator OVERMAN. I sent a letter to him to furnish these papers. Here is the memorandum received [reading]:

JANUARY 31, 1919.

Memorandum for Senator Overman.

Subject: F. J. H. von Engelken, President, Federal Land Bank, Columbia, South Carolina.

1. In connection with the attached communications we beg to advise that the Military Intelligence Division has a great deal of information on von Engelken in its files. The information can, no doubt, be obtained upon application to the Military Intelligence Division, if the committee desires to go into the matter further.

Captain, U. S. Army.

So that, in response to that communication I sent him. I have gotten a reply which I have sent for and a copy of which will be here in a few minutes.

Senator NELSON. I call your attention to the first words of this order:

The Chief of Staff directs that all officers, employees or persons in the Military Intelligence Division be informed that the information in their custody is confidential, and can not be released to Senators, Congressmen, Congressional Committees, &c.

Now, any information these gentlemen may have gathered here, from any source, is confidential, and they can not give it to us with-

out permission of the War Department. That, it seems to me, is an end to our functions.

Senator OVERMAN. I think we can make a test of it. This letter really has made a test of it here; that is, not intentionally making a test, but it is here.

The question is, if we do want any more papers; and if we can make a test of it.

Senator STERLING. I think we should have the specific cases, Mr. Chairman, and make a test of it.

Senator OVERMAN. If there is anything that we want to put up with him.

Senator WOLCOTT. Maj. Humes, as I read this order, it seems to be an order forbidding officers in the Military Intelligence Division, and employees, to give any information to this committee; that is to say, it seems to be a muzzling order, that they can not tell, they are not allowed to tell, this committee, or to disclose to the representatives of this committee in advance of the hearing, any information that they might have. That is to say, the order seems to be one that closes up one of our sources of information. That is your construction of it, is it not?

Maj. HUMES. That is my understanding of it. My understanding is that it prohibits anyone in the Military Intelligence from advising with us and giving us information as to the nature of information which may be available in the files of that department.

Senator WOLCOTT. With that order confronting you, would it be at all possible for you to form any kind of intelligent idea of what you would want to prove by any particular witness?

Maj. HUMES. No, sir.

Senator WOLCOTT. You would just be probing around in the dark for instance?

Maj. HUMES. It would be absolutely impossible for me to determine whether or not there was information available on any particular subjects in the files of the Military Intelligence.

Senator WOLCOTT. So that the effect of the order is not only to protect from the public those papers and that information which it would be incompatible with the public interest to disclose, but, as a practical proposition, it keeps from the public everything?

Maj. HUMES. Yes; I would not presume to say what the purpose of the order is, but that is the effect of it.

Senator WOLCOTT. That is the effect of it?

Maj. HUMES. Yes.

Senator WOLCOTT. It not only keeps from the public those things that it would be incompatible with the public interest to be known, but it also keeps from the public those things which it would be quite compatible with the public interest to know, if those things are in the possession of the War Department?

Maj. HUMES. Well, I do not know—

Senator WOLCOTT. I do not ask you to express an opinion on that. You have a uniform one.

Maj. HUMES. I am in the embarrassing position that I do not feel justified in expressing my opinion.

Senator WOLCOTT. I am very frank to say that that is my opinion of it.

Maj. HUMES. That is the way it strikes me.

Senator OVERMAN. You, as an officer here, would not feel justified in conveying what you know?

Maj. HUMES. Personally, the order does not affect me. I am not connected with the Military Intelligence. But it does affect Capt. Lester, and it affects the officers from whom we have secured information, as to the availability of information which is in the files of the Military Intelligence, and I would not, under that order, feel justified in asking Capt. Lester or any other officer in the Military Intelligence to impart to me or to this committee any information as to what was contained in the files of the Military Intelligence.

Senator WOLCOTT. Mr. Chairman, I think it is probably true that we have gotten almost everything we want from the Military Intelligence Division. That is probably true. This order in all probability would not result in holding back anything we want; but there is another very serious feature to it, and that is whether this thing should be allowed to go as a precedent. It certainly can not be that members of Congress and committees of Congress are forbidden to receive information from a man in the War Department. Now, that is a dangerous precedent to ever permit to go by unchallenged.

Senator OVERMAN. While we are waiting for the letter of the Secretary of War to be sent over from my office, is there anything else you desire to say about this matter, gentlemen?

Senator NELSON. Senator Sterling, you spoke about something the other day that you wanted to put in the record.

Senator STERLING. Yes; I have something here. I have not got it all here. I am waiting for a certified copy of a judgment. It is in the city, but I have not yet received it.

Senator OVERMAN. Have you a witness this morning that you want to put on the stand?

Maj. HUMES. Yes, sir; there is a witness here. Are you ready to examine him?

Senator OVERMAN. Yes; proceed.

TESTIMONY OF MR. CLYDE B. STEEN.

(The witness was sworn by the chairman.)

Maj. HUMES. You reside in New York?

Mr. STEEN. Yes.

Maj. HUMES. Are you connected with the city editors' association?

Mr. STEEN. Yes, sir.

Maj. HUMES. What is the exact name of that association?

Mr. STEEN. The National Association of City Editors.

Maj. HUMES. What is that made up of?

Mr. STEEN. It is composed of city editors, telegraph editors, and desk men, copy readers, of daily newspapers of the United States.

Maj. HUMES. What is the membership of the association?

Mr. STEEN. The membership is approximately 2,000.

Maj. HUMES. All over the country?

Mr. STEEN. Yes, sir.

Maj. HUMES. What is your position with that association?

Mr. STEEN. I am president of that association.

Maj. HUMES. When was that association organized?

Mr. STEEN. Last May; the 17th and 18th of last May, in Indianapolis, Ind.

Maj. HUMES. State if, in connection with the organization and work of that association, you have had any occasion to inquire or investigate the foreign-language newspaper situation in the country?

Mr. STEEN. We have; yes, sir.

Maj. HUMES. How many foreign-language newspapers are there approximately?

Mr. STEEN. As near as we can compile a list, about 1,300.

Maj. HUMES. That is, just the newspapers themselves?

Mr. STEEN. Yes.

Maj. HUMES. It does not include foreign-language periodicals which belong in another classification than newspapers?

Mr. STEEN. No, sir.

Senator NELSON. Can you give the number of newspapers published in each language; that is, of each nationality?

Mr. STEEN. I could not, exactly, without going into the list. I have a list from which that could be gotten.

Maj. HUMES. You can compile it, possibly, and put it in later—list of each nationality.

Mr. STEEN. Yes, sir.

Maj. HUMES. Will you hand me that list as soon as you can get it?

Mr. STEEN. Yes, sir.

Senator OVERMAN. Are these absolutely foreign-language papers and do they have American newspapers?

Mr. STEEN. They are absolutely all in foreign languages.

Senator NELSON. For instance, will you put in the list so many Bohemian papers and so many Italian papers, and so on?

Mr. STEEN. Yes; we have the list classified that way now, so that it is a very easy matter.

Maj. HUMES. Have you, during the last year, observed the attitude and activities of those newspapers?

Mr. STEEN. We have; yes, sir.

Maj. HUMES. Will you state to the committee, in a general way, what the attitude and effect of these foreign-language newspapers has been, if you have observed it?

Mr. STEEN. The attitude of the majority of these papers during the war, and even since the war, has been exceptionally fair to the Government. However, the papers which are classified as social and labor papers have contained more or less agitation; that is, according to reports made to our headquarters by our members. I have not seen all of these papers myself, nor have I had translations of them; but, from the reports of our members, they have contained articles which were more or less in agitation to labor, especially.

Senator WOLCOTT. What do you mean by "agitation"?

Mr. STEEN. Agitating labor to the fact that conditions were as they should be, and that they should ask for improvement in them; and along that line.

Senator WOLCOTT. Improvement in labor conditions?

Mr. STEEN. Yes; that is, generally speaking. Of course, some articles were different.

Maj. HUMES. What has been their attitude with reference to advocacy of violence or changing the form of government?

Mr. STEEN. That has been contained in several instances, I am told, by the members, in the Russian papers in particular.

Senator NELSON. Are there many Russian papers?

Mr. STEEN. Yes; there are probably approximately 150 Russian papers.

Senator NELSON. In this country?

Mr. STEEN. Yes, sir.

Senator WOLCOTT. Mr. Chairman, I want to raise the question. I do not know what this witness is expected to testify to, what line of his testimony he is supposed to develop. I see two objections to the testimony: First, fundamental, that the witness is undertaking to appraise the sentiment of a large body of newspapers. We have not the newspapers before us. We have not the articles before us. We are taking, so to speak, testimony of this witness as an expert, who assumes to testify concerning the spirit of this press. Now, that is not a field for expert testimony at all; that is a field for the judgment of any man who will pass upon the facts when the papers are in front of him. That is the fundamental objection to this line of testimony.

Second, the witness has not even read the papers. He is speaking from reports handed in to him by "our members." Who they are we do not know. What might be their motives or interest we do not know. That does not seem to me to be a proper line of testimony. It is rather fancy that every one of those newspapers would have a right to come down here, if this testimony goes along, with all their files and ask this committee to look and pass judgment. We are getting into a field that is almost inexhaustible, and I do not think it is proper testimony.

Senator OVERMAN. I do not think he ought to state anything that somebody stated to him they thought the policy was. If he knows himself, has read the papers himself and knows, he might give his opinion for what it is worth. But to state what somebody has said to him about a newspaper and its policy, I do not think that is competent. What do you think about it, Senator Sterling?

Senator STERLING. I hardly think so.

Maj. HUMES. As the result of a communication addressed to Senator Nelson, to the effect that Mr. Steen and his association had given some attention to this situation, Mr. Steen was asked to come down and give the committee such information as he had on the subject.

Senator OVERMAN. If he has the information himself, I do not object to his stating it. He is going now to state what somebody has told him. That is not competent, clearly.

Senator WOLCOTT. Now, for instance, I gathered when Mr. Steen started off here that there was a large body of these papers that was favorable to the Government. There were others—I forget what his language was, but the inference indirectly from his statement was that there were others that were not favorable to the Government. They were Socialist papers and labor papers; and he said that they were agitating. When I asked how the labor papers were agitating he said it was in this way, that they were saying that the conditions were not what they ought to be and they wanted change and improvement in the labor conditions. Now, if that was the situation in those papers, it does not mean that they were hostile to the Government, necessarily. I can conceive how some labor agitation would be hostile to the Government, but I can conceive how some other could not be; agitation to improve labor conditions. Now, that one

little circumstance indicates the uncertainty and rather indeliberate worth of this sort of testimony.

Senator OVERMAN. They could agitate for better conditions of labor and still be as loyal Americans as anybody.

Senator WOLCOTT. Certainly they could.

Senator OVERMAN. I think it should be confined to what he himself knows, and what he has read. He can state that, but not what anybody told him.

Maj. HUMES. I understand that Mr. Steen has an analysis of editorial and newspaper policy of these newspapers that he has outlined, based upon translations and editorials, but I find that he has not got that to-day. I have never had a chance to talk with him until just to-day.

Senator STERLING. These are all foreign-language newspapers?

Mr. STEEN. Yes. If the committee please, this association wishes to aid this committee and the Government in every way possible in this situation, and for that reason I brought this list along which I am willing to turn over, and other matters that I have here I am willing to turn over, that they may be used as you may see fit.

Senator NELSON. Have you quotations from these newspapers here with you?

Mr. STEEN. I have copies of some papers, that we made. Of course, I have not the translations of them, but copies, which I am told contain articles in them.

Senator NELSON. You have those papers here?

Mr. STEEN. Yes, sir [indicating papers].

Senator OVERMAN. Can you read them?

Mr. STEEN. No, sir.

Senator OVERMAN. How many languages do you read?

Mr. STEEN. I speak one language, the English language.

Senator OVERMAN. Therefore you have not read these papers yourself?

Mr. STEEN. No, sir; they are merely called to my attention by members.

Senator STERLING. Have they been translated to you by any of them—the articles in any of them?

Mr. STEEN. We have a number of translations on file in our headquarters, but they were all of articles which were not in any way detrimental to the Government.

Senator STERLING. Have you any translations here that are detrimental to the Government?

Mr. STEEN. No; I have not.

Senator NELSON. Have you any of these articles here in foreign languages that you claim are hostile to the Government?

Mr. STEEN. Yes, sir.

Senator STERLING. In what languages are they?

Mr. STEEN. They are in Hungarian and Jewish and Italian.

Senator STERLING. Could you procure translations of those?

Mr. STEEN. Yes, sir.

Senator NELSON. I think those would be proper, with the translations.

Senator OVERMAN. I would be very glad if you would furnish those. How long would it take you to get the translations?

Mr. STEEN. It would only be a matter of a day if I am back in New York.

Senator NELSON. He could send them.

Senator OVERMAN. Could you have them translated and sent in to the committee?

Mr. STEEN. Yes, sir; I would be very glad to do so.

Senator OVERMAN. We would be very glad if you would do so, and let the committee judge for themselves.

Mr. STEEN. Yes, sir.

Senator OVERMAN. Translations of any papers that you think are of that character.

Mr. STEEN. I will send the papers in, too, because a number of them have cartoons, too, you see [indicating papers].

Senator OVERMAN. Yes. Have you any papers that you have been informed are advocating Bolshevism and anarchy?

Mr. STEEN. Yes, sir.

Senator OVERMAN. And "Down with the Government." Have you any of those things?

Mr. STEEN. That is exactly what I referred to. These papers advocate certain forms of anarchy.

Senator OVERMAN. You can furnish translations of those articles and send them to the committee?

Mr. STEEN. Yes, sir.

Senator OVERMAN. We will be very glad if you will do so.

Senator NELSON. They advocate syndicalism and sabotage and matters of that kind?

Mr. STEEN. Well, generally speaking.

Senator NELSON. Clippings from those papers, I should think, Mr. Chairman, would be proper.

Senator OVERMAN. We would be very glad to have them. He says he will furnish them.

Mr. STEEN. We will furnish you with the papers with the articles marked and the translations attached.

Senator OVERMAN. We will be glad to have them.

Senator WOLCOTT. And also papers that have manifested hostility to the Government in the prosecution of the war?

Mr. STEEN. Yes, sir.

Senator WOLCOTT. That is proper testimony. Send the articles themselves.

Senator NELSON. Yes; the articles themselves with the translations.

Maj. HUMES. Mr. Steen, your association is made up of State associations, is it not?

Mr. STEEN. Of course, as I said, we have a new organization. We are forming branches in the States. We have about 14 States organized now.

Maj. HUMES. Has your organization in its regular meetings had up for discussion and consideration the foreign-language press of the country?

Mr. STEEN. Yes.

Maj. HUMES. And been giving attention to it?

Mr. STEEN. Yes, sir.

Maj. HUMES. And your association has taken action with reference to their view of the desirability and effect of certain foreign language newspapers?

Mr. STEEN. They have.

Maj. HUMES. I do not know whether the committee would be interested about the action taken by the association or not.

Senator NELSON. Yes.

Maj. HUMES. Have you passed any resolution on that subject?

Mr. STEEN. The last resolutions that were passed were at the convention, in Cleveland, Ohio, January 18 and 19.

Maj. HUMES. Yes, last month. I have here a copy of the resolutions.

As a result of the consideration that was given to the foreign language press of this country, what was the action of the association on that subject?

Mr. STEEN. That the association went on record as favoring Federal law forbidding the printing of any newspaper in the United States in other than the English language; or, as a compromise, that all foreign-language newspapers be required to file a complete translation in English, accompanied by an affidavit, of every issue that goes through the Post Office Department. That was, in effect, the extent of the resolutions.

Senator STERLING. A translation of a complete issue of the paper.

Mr. STEEN. And of the contracts of the paper. At the present time the order is during the war that they must file a translation of such articles as pertain to the war.

Senator STERLING. And your association passed resolutions to that effect?

Mr. STEEN. Yes, sir.

Senator WOLCOTT. Why should not that be put into the record, Mr. Chairman?

Senator OVERMAN. I want it in the record.

Maj. HUMES. Have you a complete copy of those resolutions?

Mr. STEEN. Yes.

Senator OVERMAN. Read them. I want to hear it.

Mr. STEEN. Of course, there are other matters in here. This is a complete set of the entire resolutions.

Maj. HUMES. Read that portion of the resolutions referring to that matter.

Senator OVERMAN. You can put in the whole of the resolutions but read that portion of them.

Mr. STEEN (reading):

Resolved, That the Ohio City Editors' Association, at its fourth annual convention, assembled at Cleveland, Ohio, January 18 and 19, 1919, does hereby go on record as opposing vigorously all forms of premeditated anarchy or its causes such as may be possible with the sudden throwing out of employment the national body in opposing munition, and that we urge the Government and by every other means possible, sudden unemployment, so that it be used to effect a readjustment of the sudden stoppage of war industry to enact improved permanent traffic and that employment in employed men.

Resolved, That the Ohio City Editors' Association go on record as favoring a Federal law forbidding the printing of any newspaper in the United States in any other than the English language.

Resolved. That the Ohio City Editors' Association favors the elimination of all legal advertising in the German newspapers of the State of Ohio and that a copy of this resolution be sent to all other State associations of city editors, as well as a copy to the Governor of Ohio and to the auditor of state; that said association believes the elimination of such legal advertising in German newspapers a step toward the final extermination of such periodicals.

Senator STERLING. That is a resolution passed by the City Editors' Association of the State of Ohio?

Mr. STEEN. Yes; which is a branch of our national association.

Senator STERLING. Do you mean your national association of foreign-language newspapers or national association of newspapers?

Mr. STEEN. The National Association of City Editors. The Indiana association, which met at the same time, passed resolutions, of which I have not the exact wording, but which declared in favor of requiring all foreign-language newspapers to file with the Post Office Department copies in English of all articles published, and we have since been urging that, and will take action on it.

Senator NELSON. What is the business purpose of that organization?

Mr. STEEN. It is merely a cooperative organization among the editors of newspapers.

Senator NELSON. Cooperating in what?

Mr. STEEN. To exchange ideas; and we issue a publication which gives them instruction and—

Senator NELSON. Do you have any income?

Mr. STEEN. We have no income other than the dues from membership and from advertising in our publication.

Senator NELSON. What is the average? What are the dues on the average?

Mr. STEEN. \$3 a year.

Senator NELSON. And what else did you say, outside of that, you derive revenue from?

Mr. STEEN. We publish a monthly publication known as the City Editor.

Senator NELSON. Does that bring you any revenue?

Mr. STEEN. That brings us a revenue in advertising and circulation. There are copies of the paper, and the subscription price of the paper is at this time \$1 a year.

Senator STERLING. Are you connected with the Association for the Publication of Foreign Newspapers?

Mr. STEEN. I am connected with no foreign language newspaper association; no, sir.

Senator OVERMAN. You are president of this association?

Mr. STEEN. Yes, sir.

Senator OVERMAN. There has been some agitation for legislation to stop the publication of foreign-language newspapers in this country, and I understand your idea is that instead of stopping the publication, with each issue a copy of each issue in English should be furnished the Postmaster General. Is that what you advocate?

Mr. STEEN. Yes, sir.

Senator STERLING. Instead of abolishing the paper and not permitting the publication of the paper, that a copy of each issue in English should be furnished the Postmaster General?

Mr. STEEN. That is our request, that there be some order or law passed by which they must file an affidavit in the presence of witnesses, with a true translation in English of the entire paper.

Senator STERLING. I understood you to say a while ago that it was either your idea or the idea of your association that publication in a foreign language should be prohibited, or as a compromise—I think that is the term you used——

Mr. STEEN. Yes; that is correct.

Senator STERLING (continuing). There should be a translation of the entire publication?

Mr. STEEN. Yes, sir.

Senator NELSON. That, you could see, would not be practicable in a daily paper.

Mr. STEEN. Well, that is a question.

Maj. HUMES. Are you acquainted with a man by the name of Berko?

Mr. STEEN. Yes.

Maj. HUMES. What paper is he the editor of?

Mr. STEEN. It is the Amerikai Magoyer Nepszava.

Maj. HUMES. Where is it published?

Mr. STEEN. In New York City; a Hungarian paper.

Maj. HUMES. There has been a good deal of testimony in regard to Berko, in the testimony of Konta and in the testimony of Hamling. You are acquainted with him, are you?

Mr. STEEN. Yes; I am.

Maj. HUMES. Has he come to you with any suggestion with reference to foreign-language newspapers, lately?

Mr. STEEN. He has.

Maj. HUMES. What is he contending for on behalf of the foreign-language newspapers?

Mr. STEEN. He suggested to me in my office that the National Association of City Editors start a movement to stop the filing of translations in English of any articles published at the present time regarding the war, such as has been done, under the order of the Post Office Department, declaring that the war was over and that it was not necessary now, and that they should be able to say what they think.

Maj. HUMES. In other words, the trading-with-the-enemy act and the required translations has made it impossible for the foreign-language newspapers to say what they thought?

Mr. STEEN. Yes.

Maj. HUMES. And that, of course, was not compatible with the policy of your association, and therefore you were not in sympathy with it?

Mr. STEEN. No.

Maj. HUMES. I think that is all, except those translations, and I wish you would prepare that schedule of the foreign-language newspapers.

Mr. STEEN. I would be very glad to turn this over to the committee, with the number of each nationality.

Senator NELSON. And the circulation, if you can give it.

Mr. STEEN. I can not give you that.

Senator OVERMAN. Have you a statement that you can furnish the committee now, and have it put in the record? If you have, just give it to the stenographer.

Mr. STEEN. Here are these resolutions.

(The resolutions referred to are here printed in full in the record as follows:)

RESOLUTIONS PASSED BY THE OHIO CITY EDITORS ASSOCIATION IN CONVENTION
AT CLEVELAND, JANUARY 18-19, 1919.

Resolved, That the Ohio City Editors' Association, at its fourth annual convention, assembled at Cleveland, Ohio, Jan. 18 and 19, 1919, does hereby go on record as opposing vigorously all forms of premeditated anarchy or its uses, such as may be possible with the undercurrent of feeling among men who may be suddenly thrown out of employment, and further that this association joins the national body in opposing any such tendency that may arise in any community, and that we urge the members of our association to fight editorially and by every other means possible this great menace, and its underlying principles, sudden unemployment, social injustice and that legislation or other means be used to effect a readjustment of present chaotic conditions caused by the sudden stoppage of war industries, and that we further recommend legislation to enact improved permanent highways to stand increased motor truck freight traffic and that employment in building these highways be given these unemployed men.

Resolved, That the Ohio City Editors' Association go on record as favoring federal law forbidding the printing of any newspaper in the United States in any other than the English language.

Resolved, That the Ohio City Editors' Association favors the elimination of all legal advertising in the German newspapers of the State of Ohio and that a copy of this resolution be sent to all other state associations of city editors, as well as a copy to the Governor of Ohio and to the Auditor of State; that this association believes the elimination of such legal advertising in German newspapers a step toward the final extermination of such periodicals.

Resolved, That the Ohio City Editors' Association extends sincere thanks to the city of Cleveland and its representatives for the splendid welcome accorded during the fourth annual convention, as well as the treatment received here; that we appreciate the support and co-operation given by the newspapers of the city, as well as the Cleveland Museum of Art and the Newspaper Enterprise Association for the opportunities to revisit these institutions.

Resolved, That this convention does unanimously agree to hold the 1920 meeting in Cincinnati, Ohio, at the same time the national meeting is held, providing same is set for Cincinnati, and that the change in location gives added new attendance and membership each year.

Resolved, Further that the government adopt a policy of promoting publicity through a system of paid advertising, which can be handled equitably and fairly through any national advertising agency.

Resolved, That this association co-operate with everything that tends to develop and broaden the good roads movement in the State of Ohio.

Resolved, That the Ohio City Editors' Association in convention assembled extends to our president Clyde P. Steen, sincerest congratulations in his work of reconstruction of getting together the City Editors of the nation. We heartily endorse his every activity in this connection and hope that the persistency that he has always displayed will be emulated by every other city editor.

H. A. AMOS, *News, Sidney, Chairman.*

C. F. RIDENOUR, *Gazette, Xenia.*

GEO. F. SMITH, *Free Press, Leipsic.*

W. A. RITZEL, *Chronicle, Warren.*

Mr. STEEN. Is it the desire of the committee to have the names of all these foreign-language newspapers?

Senator OVERMAN. We do not care for that. What we want is a list of the names.

Maj. HAMES. That is prepared, as I understand.

Mr. STEEN. The list is all prepared.

Senator NELSON. I think that would be proper in that connection if he has got it ready.

Senator OVERMAN. If you had that other statement ready with it it would be all right to put it in, I think.

Senator NELSON. You could not give approximately the circulation of each paper?

Mr. STEEN. No; I could not.

(The matter referred to was later submitted by Mr. Steen and inserted in this record on pages 2899 to 2922.)

Senator OVERMAN. Has this order of the Secretary of War been put on record?

Maj. HUMES. Senator Sterling has read it into the record. [The order referred to appears in full on pages 2922-2923.]

Senator OVERMAN. I want to say that I have asked the Secretary of War to send me a copy of the letter that he wrote me in regard to my request to furnish certain papers, and he says he will send it down right away. Without thinking, I sent the original of his letter to ex-Senator Benet in South Carolina, who had requested that an investigation be made, together with ex-Gov. Mann, and I think it ought to be in the record, since we have had this discussion this morning, and I would like for the committee to meet here at 6 o'clock this evening to discuss that matter in executive session. The letter, of course, is public.

(The letter above referred to is here printed in full in the record as follows:)

WAR DEPARTMENT,

Washington, February 1, 1917.

MY DEAR SENATOR OVERMAN: Major Humes has conveyed to me your request that the Military Intelligence Division file with regard to F. J. H. von Engelken, President of the Federal Land Bank, Columbia, South Carolina, be introduced before the Judiciary Committee. Your request is obviously based on the suggestion of Captain George B. Lester which is herewith returned to your files.

Some time ago Senator Fletcher brought Mr. von Engelken into my office to see me, and I at that time went through the entire subject. It seems that the Department of Justice and the Treasury Department have both repeatedly and thoroughly investigated Mr. von Engelken. The Military Intelligence Division file is made up largely of copies of documents supplied by the Department of Justice and the Treasury Department. There is nothing in our file in any way connects Mr. von Engelken with any German propaganda, or propaganda of any kind. The conclusions of the Military Intelligence Division are stated as follows:

"The conclusions of this office are that subject is loyal to the United States and that his conduct prior to the entrance of this country into the war, as well as since, has caused him to be a much criticized man at his home in Florida, as well as at Charlotte, North Carolina. * * * The entire file is one devoted solely to the personal investigation of this one subject. There are no collateral leads, connections or indications that subject was in any way connected with organized German propaganda in this country, or, in fact, propaganda of any variety."

When Senator Fletcher brought Mr. von Engelken to me it was to request that he be commissioned an officer in the Army for the sole purpose of restoring his reputation which both Mr. von Engelken and Senator Fletcher felt had been clearly and unjustly damaged by repeated investigations into his life. Senator Fletcher tells me that Mr. von Engelken was formerly Director of the Mint, later President of the Federal Farm Loan Bank at Columbia, South Carolina; that he is a man of high business reputation for integrity and honesty; and that the distrust which has apparently grown up about him among his friends and neighbors is due, in part, to his name and, in part, to expressions by him prior to America's going into the war which were in

vative in their condemnation of Germany to satisfy his more ardent neighbors.

I desire to place at the disposal of the Senate Committee every scrap of evidence in the custody of the War Department which can in any way aid the committee in its inquiry. Frankly, I do not think the von Engelken file would afford the slightest assistance. If you desire to go over it, or to have Major Humes go over it, I will be glad to bring it to you. I do not send the file but rather take this course, because I know you want to protect an apparently innocent man from further notoriety when it is already believed by earnest and responsible men like Senator Fletcher that his business and social standing have been gravely injured by undeserved suspicions already caused by the activities of Government agents who have repeatedly investigated Mr. von Engelken, but whose investigations have brought to the surface nothing to his discredit.

If you will indicate your feeling to me in this matter I will be most happy to cooperate.

Cordially yours,

(Signed)

NEWTON D. BAKER,
Secretary of War.

Hon. LEE S. OVERMAN,
United States Senate.

Senator OVERMAN. Is there anything else, Maj. Humes?

Maj. HUMES. Nothing else, except to put in the record that compilation.

Now, I have gathered together, not entirely digested, but requiring only a few hours' time to complete, a great many translations from foreign-language newspapers, especially since the armistice was signed, and more of a bolshevik nature than of a pro-German nature, and I wondered if it was the desire of the committee to put any of that matter into the record. It is almost an inexhaustible subject. You can put a few samples in or you can put an enormous amount of that stuff in.

Senator OVERMAN. I suggest that you select those that you think ought to go into the record and put them in.

Senator NELSON. Select just a few of the most pronounced and put them in the record, and scatter them over the country, if you wish—I mean, in different localities.

Maj. HUMES. You mean, make it an assortment—a geographical assortment?

Senator NELSON. Yes.

Senator OVERMAN. Put in something from every paper you have, of this nature, showing the distribution about the country.

I have had a large correspondence and have given Maj. Humes the letters to read, asking that they be put in the record.

I gave you a letter, Major, that you might read to the committee. It is a long letter from Mr. Bowland, protesting against the testimony of Mr. Stevenson, and wanting to cross-examine him.

Maj. HUMES. Here is a telegram which there is no request to put in the record, with reference to one of the organizations that has been mentioned, addressed to Senator Overman, and signed by Harry W. Widler, secretary of the Intercollegiate Socialist Society. It reads as follows:

NEW YORK, N. Y., *January 27, 1919.*

Senator OVERMAN,
Chairman Senate Investigating Committee,
United States Senate, Washington, D. C.

DEAR SIR: In the list of alleged pacifists and radicals submitted by the Military Intelligence Bureau to the Senate Committee the names of several college professors were included and after their names the words Intercollegiate

Socialist Society. In most instances the only connection that these men had with the society has been as endorsers of the society's stated object to promote an intelligent interest in socialism among college men and women. The society is an educational not a political propagandist organization. It has been organized to throw light on the world wide movement toward industrial democracy known as socialism in the belief that no intelligent college man could be ignorant of the movement and that no one can intelligently support or intelligently oppose socialism unless he understands its ideals and aims.

HARRY W. LAIDLER,
Secretary of the Intercollegiate Socialist Society,
70 Fifth Avenue, New York City.

Maj. HUMES. That is the defense that is offered for the organization.

Senator OVERMAN. Let that go in the record.

I will put in the record also this letter of C. B. Richard & Co.

(The letter referred to is here printed in full in the record as follows:)

[Established 1847. Oscar L. Richard, Leonard W. Simmons, Albert F. Egelhoff & Co., N. Richard.]

C. B. RICHARD & Co.,
29 BROADWAY,
New York, February 3, 1917

CHAIRMAN SENATE PROPAGANDA COMMITTEE,
Washington, D. C.

DEAR SIR: The New York Times of yesterday (Feb. 2) contained an extract of the testimony before your committee of one Lajos Steiner of Chicago.

I have had 46 years' experience in transatlantic passenger business as general agent of prominent lines and can definitely say that the statements made by you by Mr. Steiner are simply absurd, incredible, and untrustworthy.

1. There are not 25,000 foreign language newspapers printed in the United States, but only about 1,575.

2. In my long experience I never heard of a single newspaper being subsidized by any foreign steamship line; on the contrary, they have always tried to obtain a preferential advertising rate for their advertisements in the newspapers in which they did advertise.

3. It is not true that steamship lines or their agents systematically work to have immigrants export their savings and to have them buy a ticket to emigrate.

4. The statement that \$400,000,000 are sent abroad in each normal year to needy relatives or to be deposited in banks there is equally grossly exaggerated.

5. It is an amazing statement and absolutely untrue that transatlantic steamship companies prevent immigrants from becoming American citizens in order not to have them remain here for good so they may fill their steamships on the return trip to Europe.

Yours, very truly,

O. L. RICHARD

OLR:AJW

Maj. HUMES. There are a number of just such telegrams as the last one, which there is no request to put in the record, and in many cases they are advocating the propaganda that has been under investigation here, and I did not assume that the committee would be so kind as to incorporate them in the record.

There is another letter here from the man who defended E. Goldman and Berkman, defending the cause.

Here is also a letter from John Reed. He is one of the bolshievers who is complaining about an improper classification of bolshivism.

Senator OVERMAN. I will hand the stenographer this telegram from Evans Clark. Let it be inserted in the record.

(The telegram referred to was read aloud and is here printed in full in the record, as follows:)

BROOKLYN, N. Y., *January 27.*

SENATE COMMITTEE INVESTIGATING GERMAN PROPAGANDA,

Washington, D. C.,

I wish to protest emphatically against the use of my name in any list connected directly or by implication with German propaganda my active connection with the Socialist party is the best proof I can offer of my unqualified condemnation of the kaiser's regime and my sympathetic support of the forces in Germany that have so completely overthrown it. The Socialist war against the kaiser began many years before nineteen seventeen and continued to the time of his abdication. The Socialist party is the only party in the United States whose leaders and followers have never been implicated by government exposures in embarrassing relations with German propagandists. Not one cent of German money has ever been nor can be traced into the coffers of the Socialist party. The real reason why Socialists appear on government proscription lists seems to be that they have not only fought autocracy in Germany but have openly and continually opposed it at home. Mr. Stevenson's index is a good example of the Prussianism that now exists in the United States. That Mr. Stevenson is under the orders of Secretary Baker is a commentary on the failure of so-called "Liberal" leaders in and out of the present administration.

EVANS CLARK.

Senator NELSON. That is what lawyers call a kind of a negative affirmative.

Senator OVERMAN. Mr. Rowland criticizes the committee severely in the Stevenson testimony. If you have any more letters there, Major, present them.

(At 11.30 o'clock a. m. the subcommittee adjourned until 4 o'clock p. m., when an executive session was held, at the conclusion of which the subcommittee adjourned, subject to the call of the chairman.)

(By order of the chairman, the following letter, the same being part of an editorial in the Lexington Herald of Lexington, Ky., of Tuesday, February 4, 1919, is here printed in full in the record, as follows:)

LEXINGTON, KY., *February 1, 1919.*

Hon. LEE S. OVERMAN,

United States Senate, Washington, D. C.

MY DEAR SIR:—I have waited, hoping to see an official copy of the report of the proceedings of the Sub-Committee of the Judiciary Committee of the Senate charged with the duty of investigating pro-German propaganda. I regret I have not received it.

In the Cincinnati Enquirer of Saturday, January 25, there is an account of the proceedings before the sub-committee in which there is what purports to be a copy of extracts from the official record. That account agrees so closely with what was published in the New York Times of the same date that I assume it is substantially correct. The list of names given in each account is identical. The statements made by Mr. Stevenson and members of the sub-committee clearly lead to the same implication.

Assuming the account of the Cincinnati Enquirer to be accurate, it increases the sense of indignation that so malignant an outrage should have been permitted or committed by a committee of public servants charged with so grave a duty as was the sub-committee of which you are chairman, and intensifies the mingled feeling of regret and shame that any sub-committee of the Senate should permit itself to be used as that sub-committee was used by an unknown and, according to the statement of the Secretary of War, discredited employe of any bureau of the Government. Keen as is my feeling of indignation at the outrage committed against the individuals whose names are contained in that list, my regret and shame that any committee of senators could be guilty of such an act are even greater.

As I stated and reiterated to you in the conversation I had with you in the Capitol Monday afternoon, January 27, I speak only for myself. I feel that

for a few individuals to be selected from the membership of various organizations by an employe or voluntary worker of a bureau of the Government, and their names published with the intimation that after our entrance into the war they were not loyal to the cause for which we fought, is an illustration of a brutal bureaucracy which should not be permitted in a democracy. From conversations with other citizens in New York, Washington and on the train here, I know I voice the sentiments of all fair-minded citizens who have given consideration to the action of the sub-committee of the Senate.

You stated to me in the conversation I had with you that you had ruled the admission of this list, and been overruled by the committee. Further, as I understood you, that the list was published with the names of organizations to which the individuals belonged that the public might draw its own conclusions. If those organizations were disloyal they should have been disbanded. If membership in those organizations was evidence of disloyalty the names of all or none of the members should have been published. If any individuals were guilty of crimes that brought them within the purview of the law, they should have been indicted.

But for a sub-committee of the Senate to permit itself to be used by an irresponsible employe of any department of the Government to give publicity to a list of persons selected by that employe, with the intimation that they were censurable for any act, without an opportunity afforded them to have knowledge of the charges upon which such intimations are based, and without full evidence on the part of the committee, seems to me an outrage that takes from those guilty of it any claim to the respect of a fair-minded American.

In regard to the person in that list in whom I am most directly concerned, I know of no individual who rendered more effective work along more valuable lines after our declaration of war than did she. The fact that members of the sub-committee of the Senate are ignorant of that work, as it is inevitable that even such able and wise men must be ignorant of some facts, does not in any way minimize the result of that work nor justify the apparently malicious purpose of the individual who prepared the list and used the sub-committee of the Senate to give it national publicity.

I myself am not nor have I ever been a pacifist. I publicly declared in favor of war with Germany in August, 1914, and was consistent and persistent in my advocacy of war from that time until we entered the war. However, I belonged to some of the organizations that now meet the disapproval and receive the censure of honorable senators, joining such organizations under the misapprehension that they might be used to bring about a league of nations to destroy the economic and military power of Germany. I was a member of a committee that met in Washington in August, 1916, in an effort to induce the President to give his approval to a league of nations for such purpose. I found, however, that my fellow members of the committee were in favor of peace, and that the President did not at that time approve any league of nations. I was censured for not heeding the admonition to be neutral in word as well as even in spirit.

My sister, whose name is included in the list your Sub-Committee published, was in favor of a course she hoped would preserve peace for our country and restore peace to the world without the participation of this nation in the war. She agreed with many of the ablest and most patriotic citizens of America. Neither she nor I belong to a race or a class that characterize us by a victim at the pressing of a button or the pulling of a string. Her one aim was to bring peace with the least suffering to humanity. My one aim was to bring peace with the least suffering to humanity. We differed only in the methods by which this might be done. But after the declaration of war there is no person of whom I know, man or woman, who rendered more devoted service to this government and to the cause of civilization than she.

For men in high official position, who sat quiescent from August, 1914, to April, 1917, without other information than that furnished by an employe of some minor bureau, now to publish to the world, with the weight that comes from the position they hold, a list including her and others equal in patriotism and in service to her, and also including men indicted under the criminal law, seems to me the height of brutal as well as stupid misuse of power.

I have noted the Secretary of War repudiated Mr. Stevenson. I have noted that without defending in words the action of the committee, you attempt to justify it by placing the responsibility for Mr. Stevenson's appearance on a subordinate officer in the War Department. It is a matter of small consequence what Mr. Stevenson or the subordinate in the War Department, whose

unrevealed, thinks or says or does. It is a matter of importance to Americans citizens that a sub-committee of the United States Senate was used as a channel by the individual in the War Department, through Mr. Stevenson as an instrument, to do gross and cruel injustice to men and women the full peer in intellect, character and patriotism of any member of the United States Senate.

You told me the Sub-Committee over which you preside would be glad to have a letter from my sister, or testimony as to her loyalty, I have no authority to speak for her, but I assume she does not care to submit a letter to your committee, looking upon the action of the Sub-Committee with tolerant though regretful contempt. There is no need for her to submit to your committee, or to any committee, testimony as to her loyalty to the cause for which the nation fought. Her life and her work prove that. When I intimated this to you, you said the committee would receive a letter from me. I avail myself of that statement to ask that you do me the favor to submit this letter to this committee.

Very sincerely yours,

DESHA BRECKENRIDGE.

BREWING AND LIQUOR INTERESTS AND GERMAN PROPAGANDA.

TUESDAY, FEBRUARY 11, 1919.

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to the call of the chairman, at 10.30 o'clock a. m., in room 226, Senate Office Building, Senator Lee S. Overman presiding.

Present: Senators Overman, King, Wolcott, Nelson, and Sterling.

Senator OVERMAN. The committee will come to order. I have had some correspondence with ex-Senator Benet about this man von Engelken, in which Secretary Baker intimated that he would not end the correspondence, as the man had been acquitted; and Senator Benet is here, and came to see me about it, and I told him to come before the committee and make his statement, and we would be very glad, Senator, if you would make your statement now.

STATEMENT OF MR. CHRISTIE BENET.

Mr. BENET. This matter came up the first of last May or June, at which time the State Council of Defense of South Carolina took it up, and Gov. Manning called it to the attention of the Treasury Department that F. J. H. von Engelken, who was at that time president of the Farm Loan Bank in Columbia, S. C., was under suspicion in the community as being disloyal and pro-German.

Following that, certain affidavits were filed with the Treasury Department, and later the Treasury Department had a secret service investigation made. That record has been in the hands of the Treasury Department for a number of months, and in spite of all the efforts we could make to get a hearing in the matter, to be allowed to present other evidence if it was necessary, we could get no action whatever on the matter.

Senator NELSON. Would they not let you know what the report was?

Mr. BENET. No, sir.

Senator NELSON. They gave you no information?

Mr. BENET. No, sir. Gov. Manning, Mr. Coker, chairman of the State Council of National Defense, and myself had this matter up.

Finally, on the 16th of November a letter was written by Mr. McAdoo, to the President, a copy of which letter I have seen, which letter states, according to my recollection, that it would be an act of justice on the President's part to write to von Engelken stating that he had been investigated and that there was no foundation for the charges against him.

The President wrote von Engelken such a letter, my basis for that statement being that von Engelken published such a letter in the papers of South Carolina. I have never seen it, but I believe that that letter was written.

We feel that von Engelken was disloyal. It is proven by papers, copies of which I have here, and it was further proven by the secret service investigation. That investigation is in the hands of the Treasury.

We feel that at the time the matter came up von Engelken should have been handled; but that is an incident, it seems to us now, and we feel that this committee, if it can, should find out what influences prevented action in the Treasury Department on a report of that sort.

Senator NELSON. What do you say this man's name is?

Mr. BENET. F. J. H. von Engelken.

Senator NELSON. Had he not held a Federal office before this?

Mr. BENET. Yes; he had been Director of the Mint.

Senator NELSON. Where?

Mr. BENET. In Washington.

Senator NELSON. Director of the Mint here?

Mr. BENET. Yes. Then he came to Columbia as the president of the Federal loan bank. After we found this charge against him he was removed from Columbia, and we understood that he was to be discharged from the service; but some weeks later we were greatly surprised to find that he had been put in a more important position.

Senator NELSON. What position?

Mr. BENET. He was agent of the entire system of farm loan banks, trying to sell the bonds of the farm loan bank, as we understand; traveling extensively between New York, Washington, and Chicago, on that mission.

Mr. Coker and I were told by McAdoo, the day that Mr. McAdoo went out of office—we personally finally did have a conference with him, but that was after the President had written the letter to von Engelken, and Mr. McAdoo told us—that von Engelken was no longer in the service, but the newspapers of South Carolina had carried a statement that he was in the service. I do not know whether he is or not.

The record you gentlemen asked for the other day from Secretary Baker is not, in my opinion, the record you want to get. After von Engelken came to us, some time in the fall, he applied for a commission in the Army, and our information is that he was investigated by the Military Intelligence Section, and that is the record, I think, that Mr. Baker is speaking about.

Senator OVERMAN. He got no commission?

Mr. BENET. He got no commission. This article the other day if the armistice had not been made, the committee to get was made by the Secret Service record includes not only the affidavits which we filed in June.

Now I have copies of the papers here, the originals of which are on file in the Treasury.

Senator NELSON. What were the charges?

Mr. BENET. I would be glad to read a short statement from these papers, or I can state it if the committee prefers.

Senator NELSON. Either way.

Senator OVERMAN. I want to say that von Engelken telegraphed to me that he would like to have a hearing, and Senator Fletcher brought me the telegram, and I telegraphed him back that the committee had concluded to let this matter rest and not go into it further, as we could not try single individuals; and of course, now! Senator Benet comes out and tells what he does, I expect we will have to let him be heard. Go ahead, now, Senator, and answer Senator Nelson's question.

Senator NELSON. Tell us what the specific charges were.

Mr. BENET. The charges grew up from a variety of statements von Engelken was reported to have made, but the affidavits we filed show that in a group of men he justified the sinking of the *Lusitania*; he stated that the reason we went in the war was on account of the money interests, and that Morgan and Rockefeller forced President Wilson to go into war; further, that Ambassador Gerard's statements about atrocities in Germany were not correct; that the ambassador had fooled himself; that those atrocities were the result of newspaper propaganda. He justified the sinking of any ship that came in the zone, no matter who were on it.

Senator WOLCOTT. Regardless of nationality?

Mr. BENET. Yes. He refused to subscribe to the Red Cross, and was very insolent to some ladies who canvassed him for the Red Cross. He was very profane and violent in his statements about the Edith Cavell incident, in talking to a man on the train in connection with that, this man having said to him that he believed that the German high command was responsible and not the German people, von Engelken taking the position that the German people backed everything the German high command did.

During this time he was president of the farm loan bank in Columbia, the highest financial position in our State, and covering several other States, and our charges were simply this, that he was not giving any help in Government activities; that he was a hindrance rather than a help, and that we felt he should not be allowed to speak for the liberty loan. The specific act on which we finally filed charges was a statement sent from Washington that von Engelken was going out to speak for, I think it was, the second liberty loan—possibly the third liberty loan—and we wrote a letter then to the Secretary of the Treasury stating that the man was under suspicion in South Carolina for the reasons stated, and that he should not be allowed to speak for the liberty loan elsewhere; that he could not speak in South Carolina and he should not be allowed to speak anywhere else.

Now, that lay in the Treasury Department from May until November, and then he winds up with a letter from the President in his pocket indorsing his loyalty.

Senator NELSON. Mr. Chairman, I move that the committee request the Secretary of the Treasury to furnish us the report of this investigation that took place—the entire report.

Senator OVERMAN. Is there any objection? The chair hears none and the request will be made.

I think, gentlemen, now, since this matter has come up, Mr. von Engelken ought to be allowed to be heard.

Senator NELSON. After we have seen what is in that investigation after we have examined those files and got the data.

Senator OVERMAN. Yes.

Mr. BENET. Gov. Manning and Mr. D. L. Coker, chairman of the State Council of Defense, desired me to say that they would be glad to come any time the committee desired them.

Senator OVERMAN. Do they know anything of their own knowledge except what you have stated?

Mr. BENET. No, sir; nothing.

Senator OVERMAN. Those papers are in the Treasury Department.

Mr. BENET. Yes, sir; they are on file in the Treasury Department.

Senator NELSON. Do they include everything that is on file in the Treasury Department?

Mr. BENET. Yes, sir.

Senator OVERMAN. Suppose you leave those papers with Mr. Humes.

Mr. BENET. Very well [handing papers to Maj. Humes].

(The following copies and translations of letters, reports, and other documents were submitted by the witness, Francis H. Kirtland, in connection with his testimony, as true copies or translations of letters, reports, and other documents found by himself and other investigators of the War Trade Board and Military Intelligence among the papers of Julius Pirnitzer, of the Transatlantic Trust Co., and were ordered to be inserted in the record:)

EXHIBIT 1.

CIRCULAR OF THE TRANSATLANTIC TRUST CO., SHOWING WHO WERE THE OFFICERS AND DIRECTORS, ETC., IN 1914, AND SHOWING THAT VON NUBER, AN AUSTRO-HUNGARIAN CONSUL GENERAL, WAS A MEMBER OF THE BOARD.

Transatlantic Trust Company, New York. Main Office, 67-69 William Street. East Side Branch, 207 Second Avenue. Capital and Surplus, \$1,050,000. Depository: United States Postal Savings System, New York State and County Funds, Cotton and Coffee Margins, Trust Funds. Fiscal Agent, Royal Hungarian Postal Savings Bank, Budapest.

Transatlantic Trust Company, New York. Condensed Statement. December 31st, 1914.

RESOURCES.

Cash and due from banks	\$1,242,377
Public securities	717,227
Stocks and bonds	1,010,622
Loans	1,466,717
	<u>4,436,983</u>

LIABILITIES.

Capital	700,000
Surplus	350,000
Undivided profits	17,341
Reserved for taxes, etc.	53,296
Deposits	3,316,346
	<u>4,436,983</u>

OFFICERS.

Julius Pirnitzer, president.
H. B. Fonda, vice president.
H. L. Servoss, secretary.
Geo. Plochmann, treasurer.
E. S. Cubberley, asst. treasurer.

DIRECTORS.

H. Rieman Duval (chairman), president American Beet Sugar Co.
James G. Cannon, director Mechanics & Metals Nat. Bank.
John W. Platten, president U. S. Mortgage & Trust Co.
Calvert Brewer, vice pres. U. S. Mortgage & Trust Co.
Walther Luttgen, August Belmont & Co., bankers.
Henry H. Wehrhane, Hallgarten & Co., bankers.
Julius Pirnitzer, president.
Walter G. Oakman, president Hudson Companies.
Hon. Alexander von Nuber, consul general for Austria-Hungary.
Arpad G. Gerster, M. D., capitalist.
Gustave Leve, merchant.
Morris Cukor, counsellor at law.
Arnold Somlyo, Baldwin Piano Works.
H. B. Fonda, vice president.

EUROPEAN CORRESPONDENTS.

London: London County & Westminster Bank, Ltd.; Credito Italiano.
Paris: Banque Française Pour le Com. et L'Ind.; London County & Westminster Bank (Paris), Ltd.; Banque J. Allard & Cie.
Berlin: Deutsche Bank; National Bank für Deutschland.
Hamburg: M. M. Warburg & Co.
Vienna: K. K. Priv. Oest. Credit-Anstalt für H. und G.; Anglo-Oesterreichische Bank; Union Bank.
Budapest: Hungarian General Creditbank; Hungarian Commercial Bank of Pest; Hungarian Discount and Exchange Bank.
Petrograd: Russo-Asiatic Bank.
Bucharest: Banque Marmorosch, Blank & Co.

EXHIBIT 2.

COPY OF LETTER OF JULIUS PIRNITZER TO F. H. KINNICUTT, GIVING SUMMARY STATEMENT OF SALES OF ENEMY WAR LOAN BONDS AND AMOUNTS OF IMMIGRANTS' SAVINGS EXPORTED THROUGH TRANSATLANTIC TRUST CO. DURING FIRST FOUR YEARS OF THE WAR.

Transatlantic Trust Company, 67-69 William Street, New York. Capital, Suplus & Reserves, \$1,400,000. Julius Pirnitzer, President; H. B. Fonda, Vice-president; George Plochmann, Treasurer; E. S. Cubberley, Ass't Treas.]

MAY 13, 1918.

Mr. F. H. KINNICUTT,
War Trade Board, New York City.

DEAR SIR: Referring to our conversation on Friday, the 10th inst., I take pleasure in giving you herewith the data you have asked for:

Sales of War Loan Bonds of the Central Powers:	
A. Austrian-----	4, 491, 400 Kronen
B. Hungarian-----	13, 646, 100 Kronen
C. German-----	14, 383, 100 Mark
Money forwarding business:	
A. Austria-Hungary—	
1914-----	14, 410, 401. 89 Kronen
1915-----	53, 223, 719. 87 Kronen
1916-----	68, 746, 838. 69 Kronen
1917-----	8, 454, 917. 04 Kronen
B. Germany—	
1914-----	12, 706. 21 Mark
1915-----	163, 993. 28 Mark
1916-----	2, 373, 949. 32 Mark
1917-----	1, 037, 352. 24 Mark

The normal parity of Exchange between this country and Austria-Hungary is \$20.26 per 100 Kronen, between this country and Germany, \$23.80 per 100 Marks. Since the outbreak of the European war the value of the Exchange of the Central Powers has been almost continually declining. The present parity is about \$12.50 per 100 Kronen, and \$19.00 per 100 Marks.

In further pursuance to your request, I beg to enclose a list of local houses and bankers who, previous to the declaration of war against the Central Powers, were actively interested in the money forwarding business to Austria-Hungary and Germany.

Again assuring you of my readiness to give you any further information at my command, believe me

Very sincerely,

J. PIRNITZER, President

SM.

EXHIBIT 3.

COPY OF LETTER FROM JOHN BIRO, A HUNGARIAN NEWSPAPER MAN, TO JULIUS PIRNITZER, SAYING THAT PIRNITZER IS SUSPECTED OF BEING IMPLICATED IN THE "WARM PLOT," THE EXPOSURE OF WHICH CAUSED THE DISMISSAL OF AMBASSADOR DUMBA.

[Hungarian Illustrated World.]

Confidential

CLEVELAND 0 Sept. 2:20

MY DEAR MR. PRESIDENT: I wish to inform you confidentially and urgently of the following *a federal inquest was started in the Dumba affair*. Yesterday I received a friendly call to go to the Post Office where also the Federal offices are located. There I had a hearing of two hours and was asked for information. I have the best of reputation here in Cleveland and the matter did not have the character of an examination. On the contrary the examining Judge told me of the results of investigation up to this time and here follows the matter which is in connection with you Mr. President. Someone in New York informed them *that the idea of strike was first touched upon at the evening party given by you in honor of Mrs. Kohany during her well known stay at New York*. He also knew the list of the guests present, but he was not right in the one thing that WARM also was present. I emphatically disproved this supposition. I told him that you Mr. President and WARM never have been in any connection whatever. On the contrary, that you always in your opinion concerning WARM and I accentuated what that opinion was. I further told him about WARM'S part (role) in the line of transmission of money and it is my most serious impression that they dropped every former supposition about you, Mr. President. As far as I know, the examining Judge is going to New York in a day or two, chiefly for the purpose to find WARM.

I considered it necessary to inform you of these things. I don't know what importance is ascribed to this matter by you, Mr. President. I have done my duty at all events and am in a hurry to let you know about the matter. At the same time I beg to inform you that the "Illustrated World" is a success unheard of and if signs are right I will have more subscribers in a year than any other daily.

Thanking you for your friendship and affections, I remain

Yours truly

signed: JOHN BIRO

EXHIBIT 4.

COPY OF LETTER FROM ELMER GATES TO JULIUS PIRNITZER, REGARDING SALE OF AN EXPLOSIVE DEVICE TO THE CENTRAL POWERS, SHOWING THAT PIRNITZER HAD CLOSE RELATION WITH THE ARCH SPY, VON RINTELEN.

For you and Mr. Rintelen only

SATURDAY

DEAR MR. PIRNITZER: I am favorably impressed with Mr. Rintelen and will give him my full confidence and I wish that on his "say so" you would en-

to get rid of my Canadian obligation and then made a demonstration of the explosive and Guidable, as soon as possible.

There are good sufficient reasons why I dared not disclose my secret to Dr. Frank and Prof. Brown and those others connected with the Siemens & Halske Co., and I will tell them to you and Rintelen privately and in confidence at any hour and place you appoint, preferable but not necessarily here in my room at the club. When you hear what I have to say you will agree with me, and it is important that you hear it as you will understand.

Just as I was leaving here yesterday to meet the 2 o'clock appointment with Dr. Frank, I received the enclosed telegram from my attorney, please return it, and besides there is a very important reason why I dare not disclose to Siemens & Halske. . . . If word should reach Canada before I pay off Pitt, and Mandam, I would be unable to life the Explosive and Guidable out of the list of War Inventions for /9800— I would not then be able to do it if I were to pay the whole half million or any sum, and by reason of my being at Dr. Frank's place yesterday, word may reach Canada because of one party who knew I was there, as I will explain. The success of my invention means the failure of that party's similar invention, etc.

I know what I am talking about. You are busy men, so am I, come here if you can, or both meet me at your office at a very early hours.

Truly yours,

ELMER GATES.

My telephone is Murray Hill 7400

Please do not discuss this with Dr. Frank or Siemens & Halske at least not until after you see me.

EXHIBIT 5.

(The following is a translation of a part of the report of Julius Pirnitzer President of the Transatlantic Trust Co. to the Board of Directors of the Royal Hungarian Postal Savings bank, for the year 1916:)

Transatlantic Trust Company 67-69 William Street New York. Capital & Surplus \$1,300,000 Cable Address "Tratlantic New York"]

JANUARY 1, 1917.

to the DIRECTORATE OF THE HUNGARIAN ROYAL POSTAL SAVINGS BANK,
Budapest.

We beg to inform you in the following of our activity in business during the year of 1916, resulting from the connection with your hon. Institution.

The amount of our transmissions reached almost the sum of 75 million Kronen against the 61 million Kronen, transmitted in the year of 1915. Our traffic has therefore risen about 22%. The leading character of our Institution is the traffic of the Hungarian money forwarding business is becoming more and more prominent. At the time of our report almost 60% of the money sent home by the immigrants was sent to Hungary through our mediation. But in spite of the higher amount, the development of the traffic of transmissions is not so favourable as it was in 1915. Namely, as our traffic in the year of 1915 rose from month to month without interruption, the rising tendency in 1915 lasted only throughout the first quarter of the year. Starting in the month of April the traffic of transmissions fell off visibly.

In our report for the year 1915 we called your attention to the circumstance, that the development of our business of money-forwarding is in close connection with the maintaining of the postal-connection, the eventual ceasing of which would hurt same deeply. To our regret our supposition proved to be true to the fullest measure. The submarine warfare of Germany was avenged by England so, that it made the oversea-correspondence and package-mail-circulation with the countries of the Central States impossible. The neutral states protested in vain against this flagrant offence of the decree of the Agreement of Hague of the year of 1907: England partly delays the answers to such notes sent to her, partly uses all kinds of subterfuges and everything remains in the old way. At present we have to reckon with the absolute interruption of the postal-connection as with a fact. Under the effect of the forced circumstances we have to take particular measures—although in a smaller way—to maintain the traffic of money-forwarding, which is made our duty by the knowledge, that this is most important from the viewpoint of the State-Finance as well as

Private-Economy that large amounts of money shall be sent home from America, the more so, the longer the war lasts.

We can assert with sincere satisfaction, that the largest part of our money containing money-forwardings, reached home safely. The Hungarian Postal Savings Bank acknowledged the receipt of 68½ million Kronen through wireless already. This items have been sent until the 16th of November. There are now only 6 million Kronen pending, the larger part of which is from the circulation of the last 6 months of this year and which as we believe probably reach home in the next future.

The German merchant U-boat "Deutschland" was a great help to us, as it took on both her journeys a large amount of lists and letters along. We received this favor by the special goodwill of the German Consulate of Washington which we earned through the selling of German War Loans and development of the German money transmission. All our endeavours, however, to get money for the transmitted amounts were made in vain. While we could find a way for the transmitting of money perfectly suiting the forms of laws of America it was impossible to bring over any mail. This situation forced us to keep the keeping at home of all the receipts, pass and share books, statements, and other notes, until it will be possible to send them over without danger. Our competitors here, the most of which carry on their business without scruple because they have nothing to lose, tried to get over their mail in spite of the laws of America, which clearly forbid it and were sometimes successful. Through the exaggerated advertising of such cases it was possible for us to lead our immigrants temporarily into a mistake and make them believe that they have the power to do something exceptional in the present difficult circumstances. The final result of this action will be the shaking of the faith of immigrants in those petty bankers, as it is unthinkable, that the mail will be brought over regularly at present times. We have to reckon, namely, not only with England, but also with the authorities of the U. S. who consider sending of mail by a private channel, according to an obsolete, but still existing law, as a punishable act. The origin of this conception dates back 60 years when the express companies of the far West, but in the first place Wells, Fargo & Co., were in competition with the mail of the United States.

Two of our formidable competitors here, the American Express Co. and C. F. Richard & Co., have altogether stopped the money forwarding to Hungary. One of them, Knauth, Nachod & Kühne, has limited it, so that it does not amount to much. The above-mentioned two concerns have yielded to the pressure of England, giving up this line of business, which served to benefit the Central Powers. The English authorities, namely, have threatened that they would make their connection with the countries of the Entente impossible if they also work in the interest of the Central Powers. The latter firm was on the black list of the English, which makes any dealing by them with Europe very hard. We want to remark here, that our firm was not put on the "black list," the reason of which lay in the fact, that the first black list, which consisted particularly of private concerns, caused a very energetic protest on the part of the Government of America. Therefore the second list, which would extend also to corporations was not published.

The ability of accommodating ourselves to the circumstances of war which manifests itself at home in the economical life in such a wonderful way, expresses itself also in the business-action of our Institution, but naturally in a much smaller measure. The war altered strongly the characteristic of the traffic of transmitting. The most apparent symptom is the mighty rising of the amounts intended for deposits in the Postal Savings Bank. We transmitted against the 4 million Kronen of the year of 1915 at the time of this report 11½ million, which success is in the first place the consequence of our widespread propaganda. Our immigrants, who at first were intimidated by the falling of the price of Kronen, got used to this and secured for themselves at present cheap prices these Kronen certificates, which they want to invest in Hungary after the war. The further phenomenon of the wartimes is the raising of the amounts intended for charity. We transmitted near 4 million Kronen for such aims at the time of this report as a result of here arranged charity-bazaars, collections and private-contributions. Our employees of Hungarian origin have personally taken part in all this charity activity. The circumstances, resulting from the war times have forced us to install the less-money-transmission, which system is very much favored among our immigrants. Under the very favorable earning circumstances, our immigrants do not mind the spending of the 2½ dollars, for the wireless money transmission.

they have the assurance, that their relatives at home receive the money quicker and surer. At first we were disposed to spare our immigrants if possible, this costly transmission, which according to our experience, do not give more assurance than the system adopted by forwarding of our money-transmitting-lists. Later though, we yielded to the wishes of all and started the wire-money forwarding and we had a very large traffic, especially before Christmas. Finally—also owing to the pressure of war times—we commenced to accept Kronen-Deposits, which line of business became unexpectedly and rapidly very popular. We collected near 10 million Kronen deposits in the last quarter of the year and it seems, that the traffic in this line will rise to a considerable degree. We hope to transfer the larger part of the Kronen-Deposits after the war into Postal Savings Deposits.

We sacrificed very much money in the year 1916 for the development of the money transmitting business, as well as for the placing of war-loans. *For advertisement, postage and printings we laid out the Total of 120,000, two thirds of which served the interests of the purely Hungarian business.* We hope, that this enormous sacrifice will prove to be an investment bearing its fruits, when, once again—circumstances shall become settled.— We have, however, brought out, that almost every Hungarian in this country knows our Institution, and we have customers also in the oversea-colonies of the U.S./ Cuba, Porto Rico, Hawaii, Phillipini islands etc./ in Central and South America and in China. In adapting of outside propaganda we also made widespreading administrative arrangements for the developing of the Hungarian business. *We have organized a separate propaganda-department,* who's business was to come constantly in contact with the customers and to make the sentimental link, which—according to custom here—usually connects the banker with his customer, tighter.—We appointed our most intelligent customers for our *confidential* men, who's business was to inform the Hungarians living scattered about in little places, of our institution.— At the end of the year 1916 the number of our confidential men was 1005.— Furthermore our employees on long journeys have been in constant personal contact with the immigrants.—

The struggle, which the petty-bankers have openly and secretly conducted against our institution, did not cease at the time of this report. The attacks of newspapers, anonymous reports and the abetting among our immigrants are going on with just as much bitterness as before. The position of our institution to-day is nevertheless so powerful, that this attacks cannot stop the further development of same.— We can assert with calmness, that our Institution is now among the Hungarians of America the most important economic factor and we hope surely, that after peace is declared—which we hardly can await—our importance will yet be increased.—

According to the detailed lines of our business the traffic of our transmissions are as follows:

According to lists—item No.-----	199,272	the sum of K.	68,554,636.69
War-Loan-Subscriptions—item-----	3,888	the sum of K.	5,830,260.—
Special checks—item-----	890	the sum of	192,000.—
<hr/>			
Total—traffic of the year 1916-----	204,050		K. 74,576,896.69
Total traffic of the year of 1915-----	261,434		K. 60,967,089.87

EXHIBIT 6.

COPY OF LETTER FROM BARON ZWIEDINEK, OF THE AUSTRO-HUNGARIAN EMBASSY, TO JULIUS PIBNITZER AS TO PROPAGANDA BY CONSULATES IN AID OF TRANSATLANTIC TRUST CO.

MANCHESTER, Oct 6, 1914.

DEAR MR. PRESIDENT: Thanks for your letter of Sept 30th enclosed find copy of the order of this office to the consulates, which I hope will answer your intentions. I am asking myself, whether it would be advisable for the Transatlantic Trust Co. to send circulars in different languages to the offices announcing their money order service. The consulate could then spread them as far as possible. If this idea suits you, you perhaps can talk the matter over with Nuber, Attached thereto you'll find also a copy of a cipher-order of the Ministerium sent to the Embassy today. The telegram desired by you has been

sent off on Sept 19 but no reply arrived as yet. Should there be no reply the Ambassador returns I expect him Thursday night. I would advise telegraph once more, I enclose a sketch of this telegram, kindly let me know once, whether you approve of it, or whether you suggest some change. In giving the cipher order I am under the impression, that it is hard to get the Consulate further instructions until the preliminary question is solved. What is your opinion?

Yours truly,

(signed) E. ZWILTMAYER

COPY

EXHIBIT 7.

ORDER TO CONSULATES TO ASSIST TRANSATLANTIC TRUST CO IN FORWARDING OF IMMIGRANTS TO HUNGARY.

MANCHESTER, Oct. 5

No. X-109/xxlll Transmission of Immigrants' money.

To the I. & R. Consular Office at.....

The existing difficulty of transmission of immigrants' money to the East seems to be removed by the obligation entered into by the Trans. Tr. Co. at William St., N. Y. C. with the Royal Hung. Postal bank to the effect that the money order intended for transmission either will be delivered to the payee or returned to the sender. That the senders must expect delays in the delivery is a necessary consequence of the war, but the bank has done everything that its advantage is to get the money into the possession of the Royal Hung. Postal bank with all safety under present conditions. The money order service of Tr. Tr. Co. is available in Austria as well as Hungary. As far as the use and recommendation of the money order service of the Tr. Tr. Co. is concerned, the I. & R. Consular Office have to see to it that local banks should not have the benefit of it as the Tr. Tr. Co. itself would have to run the risk only.

It will, therefore, be the duty of the Consulates to encourage as far as possible the transmission of immigrants' money through the Tr. Tr. Co. for the support of family members as well as for savings. In the latter direction a danger exists that the immigrants, under present war conditions, will not deposit their savings here and will continue to do so even when normal conditions return. Owing to our state-finances this practice must be energetically counteracted.

For the I. & R. Ambassador:

EXHIBIT 7½.

[Royal Hungarian Postal Savings Bank Administration, Budapest.]

JULY 15th

The fortunate arrival of the first German Undersea-Boat awakens in us, that the mail communications which were broken off, will be restored. At present the ordinary mail can not be sent this way, but with the aid of our Embassy we did succeed in obtaining this exceptional favour.

We ask you respectfully that you should urge the competent German Authorities through the Hungarian Government and through the I. R. Foreign Office to grant to your institution, that your mail should be forwarded with the German Undersea Boats.

We do not feel the necessity of a regular connection, because we take the liberty to mention that we have received 1 billion kronen Hungarian currency and we hope to return home again as soon as undisturbed conditions return.

We offer our request intently and remain,

With eminent esteem

EXHIBIT 8.

Translation of a letter found among the papers of Julius Pirnitzer, from Count Tisza, late premier of Hungary to Adolph Ullman, manager of the Hungarian General-Credit Bank of Budapest, which was the largest stockholder in the Transatlantic Trust Co., regarding the extension of the activities of the Transatlantic Trust Co. in the United States.)

Ref. No. 7644

E. I. b.

Strictly Confidential Exclusively to his own Hands His Excellency the
Director in Chief

The I. & R. Foreign Minister in his communication of Nov. 19th last /No. 1996/Sb/ sent me his report in regard to the use of the I. & R. Embassy at Washington and the Consulates in the U. S. and the Am. Hung. Press for the furtherance of the Trans. Tr. Co. also his report regarding the places to be considered in establishing branches and agencies of the bank respectively.

From these reports it can be learned that our competent foreign representative authorities deem it very desirable for the successful maintenance of the Trans. Tr. Co.'s activity, and in behalf of Magyar immigrants that the bank could establish branches and agencies respectively in several cities of the U. S. especially in places where our Magyar immigrants are settled in masses. Such cities would be the following:

In the official district of the Cleveland Consulate: *Lorain, O Toledo, O. Youngstown, O. Ashtabula, O. Fairport, O. Niles, O. Hamilton O. Columbus, O. Dayton, O., Congo, O. Zanesville, O. Cambridge, O. Sandusky, O. Newark, O. Cincinnati, O. Detroit, Mich. Bridgeport, O. Steubenville, O. Kalamazoo, Mich. Iron, O., Martins Ferry, O., Grand Rapids, Mich., Dillonvale, O. Canton, O. Alliance, O., Barberton, O. Flint, Mich. Muskegon, Mich, Saginaw, Mich. /the underlined ones to be considered first/*

In the official district of the San Francisco Consulate: *San Francisco, Los Angeles, Seattle, Tacoma.*

In the official district of the Chicago Consulate: *Chicago, South Chicago, Milwaukee, Joliet, Whiting, Gary, and South Bend.*

In the official district of the Charleston Consulate: *Welch and Norfolk.*

In the official district of the Pittsburgh Consulate: *Pittsburgh Uniontown, Johnstown, and Sharon.*

In the official district of the St. Paul Consulate: *Hibbing, Chisholm, Eveleth, Duluth and Calumet.* It is to be remarked however, that the latter are situated in the territory of the Minnesota and Michigan respectively, according to the laws of which foreign banks are not permitted to establish branch offices on territories of the said states. So, if the Trans. Tr. Co. wishes to extend its activity over the territories of these states it could do so only by evading the laws, and that in such a way that it would establish an independent bank in conformity with the intentions of the state or by buying stock from another bank /already existing there/ it could obtain decisive influence over its affairs.

In the official district of the Philadelphia Consulate: *Philadelphia, So. Bethlehem, Allentown, WilkesBarre, Hazeltown, Scranton.*

In the Official district of the N. Y. Consulate it would be necessary to establish such besides the correspondence-stations already existing, in the following cities: *Buffalo, Schenectady* and also in *New Jersey.*

I therefore respectfully ask your Excellency to kindly come in close touch with the management of the Trans. Tr. Co. in regard to the branches and agencies to be established in the places above named and inform me of the result of your procedure in due time.

According to the statements from our foreign representatives we can hope that the branches and agencies to be established will be a successful and profitable business enterprise for the reason that in each of the cities above named our Hung. immigrants of Magyar tongue are settled in masses.

Proper care should however be exercised that the branches and agencies in question acquire popularity within the zone of their immigrants, for the accomplishment of which purpose, I am told, the authoritative organs of the Amer. Hung. Press already have been won over.

But it would greatly aid the successful activity of the bank if the Hungarian Magyar Press also would give it a favorable criticism.

The benevolent attitude of the domestic Press, too, would produce an effect on Magyars living in America and call the attention of prospective immigrants in advance to this institution. I therefore would deem it advisable to direct Budapest papers as well as country papers, especially those mostly read by greater masses of immigrants—would publish articles informing them of the reliability of the bank and convincing them of the advantages of the same.

Regarding this matter I respectfully beg to ask your Excellency to call the attention of the Trans. Tr. Co.'s Budapest representative to the going. I simultaneously assure your Excellency that I shall do my best in directing the Hung. Press according wherever that is possible. On this occasion I also respectfully beg to ask Your Excellency to kindly call the attention of the Trans. Tr. Co.'s Budapest representative also to the fact that there shall hereafter to it that improper articles published in Hung. papers by reason of conditions, be rectified in proper way.

I respectfully ask your Excellency to kindly inform me of the results of valuable proceedings in this direction also.

Your Excellency will please accept the sincere expression of my esteem.

Budapest, Dec. 8th, 1913.

/signed/ T. T. Co.

To His Excellency ADOLPH ULLMANN
member of the Upper House, Director-in chief
of the Hung. General Credit Bank, Budapest.

EXHIBIT 84.

TRANSLATION OF LETTER EVIDENTLY FROM ULLMAN TO COUNT TISZA IN REPLY TO TISZA'S LETTER OF DECEMBER 8, 1913.

TO HIS EXCELLENCY THE PRIME MINISTER:

YOURS EXCELLENCY: I beg to acknowledge receipt of your esteemed communication of the 8th of December 1913, (No. 7644 § M. E. I. b) wherein you informed me of the contents of the Foreign Minister's letter of Nov. 12 (No. 82,996, b) relative to the furtherance of T. T. Co.

From the Director of the T. T. Co. staying here at present, I learn the institution already has representations mostly in places where the foreign authorities deemed it advisable to establish them.

I beg to submit a list of present representatives of the T. T. Co. and remark that the institution considers it as one of its chief tasks to extend present network and as already can be foreseen, the number of our representatives will be over 100 at the close of this year.

According to the banking laws of N. Y. State, the T. T. Co. cannot establish branch offices but its representatives will do all the work that otherwise would be the institutions' duty.

As to the proposition of the St. Paul Consulate that the T. T. Co. establish independent banks on the territories of the states of Minnesota, Michigan, or exercise a decisive influence on the affairs of another by buying a part of its stock, I beg to remark that the laws of N. Y. State absolutely prohibit a financial institution from holding over 10% of stock of a corporation, which legal provision entirely excludes the accomplishment of the purpose which the St. Paul Consulate had in mind.

I must especially accentuate it on this occasion that the laws of the State regulating the course of business are not to be evaded by the institution but the controlling authorities.

It is therefore necessary to handle the business affairs of the institution in such a way as to avoid any faction that the T. T. Co.'s may have as well as in all others.

As far as the use of the American language is concerned, I beg to refer to my letter of Nov. 12. I believe that the friendly relations between the Am. Magyar papers will become more and more possible after awhile service of the institution.

I accept with sincere thanks your Excellency's kind declaration to the effect that you will be kind enough to support the T. T. Co. in directing the Hung. Magyar press accordingly.

In conformity with this I have advised the management of said institution to submit from time to time, such communications to your Excellency as are for publication in metropolitan papers as well as in those published in the country, and call the attention of magyars intending to emigrate to Amer. to the institution and support it in the accomplishment of its aims.

Thanking you in conclusion for past favors shown to the Trans. Tr. Co. and being confident that the institution is worthy of same by its activity up to the present time, I beg to remain with the expressions of my highest esteem,

Budapest, January 6th, 1914.

[No Signature.]

His Excellency,
COUNT STEPHEN TISZA,
Councilor, Hung. Roy. Prime Minister,
Budapest.

EXHIBIT 9.

COPY OF LETTER FROM JULIUS PIRNITZER TO THE GENERAL CREDIT BANK OF BUDAPEST, SHOWING CONNECTION BETWEEN THE TRANS-ATLANTIC TRUST CO., HUGO SCHMIDT, AND THE DEUTSCHE BANK.

S/S FREDERICK VIII,
Feb. 27, 1916.

HUNG. GENERAL CREDIT BANK DIRECTORIUM, Budapest:

We beg to acknowledge receipt of your favor of the 27th of Jan. last wherein you express your desire that we should advise all subscriptions to the German war loan received by us, to the Discount Society. As our action, started in behalf of the third German war loan and amounting to over 7 million Marks is already closed, this matter can again come up only at the issuance of a prospective 4th German war loan. In the meantime we most assuredly will have the Discount Society's letter containing its conditions which you kindly promised. It is understood by itself that we shall be willing to consider your demand in due time and will advise a part of the prospective subscriptions to the Discount Society. *But we would not deem it fair to entirely discontinue our connections with the German Bank, for we are under great obligations to Mr. Hugo Schmidt, director of this institution, who is staying here since the outbreak of the war.* We owe it to him that the German Embassy at Washington and the German Imperial Consulates all over the United States recommended our institution to prospective clients. It was also him who induced the German Bank to open an account with us. Otherwise we beg to mention that as far as we know, The German Bank too, as shareholders of the Pester Hung. Commercial Bank, is materially interested in our institution.

Allow us to ask you for a favor on this occasion: Kindly induce the Discount Society to open an account with us and to transact a part of its American business through our institution. We are willing to exercise reciprocation. Owing to the fact that German banks are rather ill disposed towards those N. Y. institutions that participated in financing the Anglo-French loan while we kept away from this business, it is to be hoped that your kind proceedings begun with the Discount Society, will have favorable results.

As to the rest of contents of your kind letter we beg to inform you that the larger one of the two bills in question is official, while the smaller one is of private character only. The undersigned is in close relations with the owner of the respective bills and is entirely confident of his correctness. Owing to the fact that the British Censor may eventually get information of the contents of our letters we deem it proper to abstain at present from further informations.

Respectfully yours,

President.

EXHIBIT 10.

COPY OF LETTER FROM JULIUS PIERNITZER TO HOSSENFELDER, GERMAN CONSUL,
NEW YORK.

JULY 28TH, 1917

DEAR MR. COUNSEL: I hereby take liberty in sending you six copies of last annual statement and beg to mention that my company is an establishment of German, Austrian and Hungarian principal banks and omitting all interests put itself since the outbreak of the war fully and entirely in the service of the Central Powers.

It is very important for us to enter into close relations with Germany in the United States as well as in Central and South America and aim is that we can give them the same facilities as any other bank of this country. Especially are we able to maintain even now, communication with Germany and the Monarchy.

Accept my sincerest thanks for your kind offer to further the aims and objects of my bank and be sure that it will always be a great pleasure for me to reciprocate your kindness.

Yours very truly,

JULIUS PIERNITZER

GERMAN CONSULATE N. Y.
HOSSENFELDER.

EXHIBIT 11.

COPY OF LETTER FROM H. F. ALBERT TO JULIUS PIERNITZER.

New York, Sept. 11th, 1917

H. F. ALBERT, 45 B'dway N. Y.

DEAR MR. PIERNITZER: Allow me to send you the enclosed copy of the letters of today's date to take notice of the addresses. If it suits you I will continue to send you similar letters in the future.

It would perhaps be advisable to destroy the letters personally that through publication of same by improper parties there should be no impression to the effect as if I would be officially active in the placing the loan. My activity, you know, is limited to the transmission of inquiries, received by me, to you. I hope that you will approve of this.

Yours truly,

ALBERT

Mr. J. PIERNITZER,
President Trans. Trust Co., N. Y.

EXHIBIT 12.

COPY OF LETTER FROM JULIUS PIERNITZER TO H. F. ALBERT.

SEPTEMBER 13, 1917

Mr. H. F. ALBERT,
45 Broadway, New York.

DEAR MR. COUNCILLOR: I beg to acknowledge receipt of your favor of the 11th inst. and thank you very much for the kind transmission of a copy of 2 letters which I have answered accordingly. I destroyed the letters myself.

You will greatly oblige me
be assured that every inquiry
Very respectfully yours

COPY OF LETTER FROM

DEAR MR. PIERNITZER: Your
attention from the Consulate at 5

Consulate to inform interested parties by wire that it places loans at the rate of 21.11 per 100 Marks and allows a commission of 25 cents per 100 Marks to Banks and Bankers.

The Consulate will do everything to further the matter. But the Consulate will avoid official action and will limit itself to inform in a suitable way and privately Banks and Bankers of the matter. This will be done. At the same time I am asking you to *abstain in future from telegraphic communications with the Consulates*. It would not be desirable that such telegrams become public and be taken advantage of against us in a manner well known. I do not wish to presume that it will be not necessary in future to communicate by wire.

It would also be advisable to send letters to Consulate in a plain envelope (without the firms' name). Letters to the Consulate at St. Paul are to be addressed:

St. Paul Arcade Co.
Secretary's Office, Room 216
St. Paul, Minn.

Respectfully yours

H. F. ALBERT.

EXHIBIT 14.

COPY OF LETTER FROM H. F. ALBERT TO JULIUS PIRNITZER REGARDING PROPAGANDA FOR GERMAN WAR LOANS.

H. F. ALBERT,
45 B'way New York.

NEW YORK, September 22nd, 1915.

DEAR MR. PIRNITZER: From Chicago the enclosed list of banks has been sent to you, which as far as could be ascertained there are chiefly controlled by German American capital and have a strong German clientship. These banks are to be considered in the first place for the sale of the war loan. I presume that you already know the banks and are in connection with them.

In Denver, Col the first class broker firm, Wilson, Cramer & Co., International Trust Bldg. 2 floor, declared itself willing to receive subscriptions to the loan, I advise you to enter immediate negotiations with the firm.

Furthermore the following is reported from Chicago: "on this occasion I would like to call your attention to the fact that the association of German farmers of the middle and northern West is going to have its convention at Dubuque, Iowa. on October 5th and 6th. Especially the small and smallest provincial newspapers will be represented there which are read by the German farming people. Mr. Matenaers personally known to me, co-worker of the "Evening Post" (Evening Mail) here and of the "Farmers Gazette" published at St. Louis, will take advantage of this opportunity to discuss the propaganda of greater size in favor of the war loan with the various editors. The editorials are furnished by Mr. Matenaers himself who is known here by his journalistic activity in the line of economy and agriculture. Mediation of announcements through a central to be established for all newspapers is also to be determined. In conclusion Mr. Matenaers intends to advise the various editors to aid the farmers in subscribing to the war loan in every possible way and to see to it that applications for subscriptions be forwarded to the Transatlantic Trust Co. thereby difficulties of correspondence with a bank unknown to the farming people will be avoided.

The opportunity of reaching large circles of German farming people and facilitating as far as possible their subscriptions to the loan, is, in my opinion, much more worth while as the farmers not only numerically represent a considerable part of the German population in this part of the United States, but also a pretty wealthy one, as shown, for instance, by the collections of the "Ostfriesische Nachrichten" (East Friesland News) in Breda Iowa. Besides the farmer in first place is in a position to invest money after having gathered in the crops in autumn. Supposal of carrying out this plan would, naturally, be an assurance to the fact that subscriptions to the war loan can be received till the middle, or if possible, till the end of October.

I sent notice there that the term for subscriptions is limited to October 31st. A further report from Denver, Col says, that the "Prescott Nat'l. Bank" of Prescott, Ariz. (President Mr. R. N. Fredericks) declared itself willing to re-

ceive subscriptions to the German War Loan under the condition that they will not be unnecessarily taken advantage of publicity.

Yours truly

ALLAN

EXHIBIT 15.

COPY OF LETTER FROM JULIUS PIENITZER TO ZWIEDINKE, COUNCILLOR OF THE AUSTRO-HUNGARIAN EMBASSY.

Nov. 12th, 1914.

DEAR COUNCILLOR: I am in receipt of your message of today whereby informed me that the Lower Austrian Ezcompt Association has reduced rate of exchange to 4.96. I thank you very much for your friendly and am glad that this affair is finally almost settled. It is true that it is still $3\frac{1}{4}$ points higher than the market rate of June 30th and involves about \$70 in the amount of \$11,000. I believe that the bank would pay you eventually for a part even of this difference if a claim would be made that effect.

It is a great satisfaction to me to be able to inform you that we have today from the Roy. Hung. Postalbank receipts of all our money orders from here up to the 8th of Oct. inclusive, also payee's receipts of money up to Oct. 2nd inclusive, which not only proves the unobjectionable nature of this service but means a splendid success at that under the present conditions.

The warm interest you are showing toward the furtherance of the order business encourages me to submit to you the following petition.

The I. & R. Embassy should be kind enough to send a circular letter to subordinate consular offices wherein reference is made to the circumstances before mentioned and, owing to absolute reliability of the money order already proven, these offices should be requested once more to make proper in the most energetic way.

If we succeed to bring the money order business approximately to its former level, then one of the most acute state-financial questions is brought near its solution: namely, the creation of a fund for domestic orders of articles from the United States.

Accept my sincerest thanks for your kind cooperation in this matter as expression of my highest esteem, whereby I beg to remain,

Very respectfully yours,

JULIUS PIENITZER

To His Excellency BARON ERICK ZWIEDINKE VON SUDENHORST,
I. & R. Councillor of the Embassy,
Washington, D. C.

EXHIBIT 16.

COPY OF LETTER OF EX-AMBASSADOR DUMBA TO JULIUS PIENITZER.

VIENNA, Oct. 24th, 1914.

DEAR MR. PRESIDENT: By this time I hope to carry through safely and assured the third version of my letter. Above all I thank you for the most interesting information of July, the contents of which were just as close available as the means of their transmission. There are again new great U. B. 58 style with most beneficial results. The war situation is good and is very favorable in Roumania conquered within the shortest time and the supplies of grain and in this especially where the Alpine provinces and also the Whether the Russians will be I do not know. I fear though go into further questions, on considering the appointment of that we will be granted some

And now I go over to the business part of my letter. I am sorry to say that we have to count upon a later end of the war and I would be very grateful to you for extending the advance payment business of £400 each by 2 more payments on April 1st and July 1st, 1917 respectively that would make then a total of my debt about 6 time \$1950 equals \$11,700 or 87,750 crs. at the rate of 7.50 cr. (per dollar). The 45 shares of Austro-Hung. Bank shares which I deposited as security are worth 95,000 crs. according to an inofficial quotation at 2150, to this are to be added 56000 crs. worth of coupons, that is over 100,000 crs. But should you think that this security is not sufficient I would gladly add, for instance 50 credit shares at 663 crowns each, to the deposit, but not 100,000 crs. war bonds, as suggested in my first letter, for the simple reason that I wish to keep these free to pay my taxes with. I would be very much obliged to you for an early reply. Kindly give my best regards to our many common friends, especially N. and his brave companions. *For whom shall we be anxious on the 7th of November, for W. or for H? The election hurts me and I fear that it is the same thing with all German-Americans.*

With best regards, I remain,

Yours truly,

C. DUMBA.

EXHIBIT 17.

COPY OF ADVERTISEMENT OF GERMAN, AUSTRIAN AND HUNGARIAN WAR LOANS.

[Facsimile of Imperial German Coat of Arms, Imperial Austro Coat of Arms, Royal Hungarian Coat of Arms.]

FIFTH

5% GERMAN WAR LOAN

at the price of \$172.50 per 1000 Marks

References:

The Imperial German and the Imperial Royal Austro-Hungarian Consulate in San Francisco

5½% Austrian War Loan

at the price of \$125.00 per 1000 Kronen

6% Hungarian War Loan

at the price of \$130.00 per 1000 Kronen

The Bonds may be sold at any time and are quoted and handled daily

MONEY ORDER REMITTANCES

to Germany and Austria Hungary—directly to the house—without deduction under full guarantee at the following rates:

100 Marks \$18.50 100 Kronen \$13.00

There is no possibility of a confiscation at the forwarding

For every remittance receipt signed personally by the payee will be procured free of charge.

C. H. ZENTINE,

General Agent Transatlantic Co.

528 Santa Marina Building, 112 Market Street. Telephone Sutter 1954.

ADVERTISEMENT

Buy German, Austrian and Hungarian war loan at the Consularly recommended agency of the Transatlantic Trust Co., 112 Market Str., S. F., Cal.

EXHIBIT 18.

Copy of Letter from Baron Zwiedinek, Austro-Hungarian Chargé d'Affaires to Julius Pirnitzer, Pres. of the Transatlantic Trust Co. commenting on the "Lusitania."

WASHINGTON, May 8th, 1915.

DEAR MR. PRESIDENT: I am returning with great thanks the enclosure in your favor of the 3rd inst. Hope that I did not impose a heavy burden on you by recommending to you Mr. Elmer Gates. I knew too well from my own experience how hard it is to come to an understanding in such affairs.

The Lusitania episode will probably pass over without any serious complications and have a good effect as the means of frightening.

With best regards,

Yours truly,

E. ZWIEDINEK

EXHIBIT 19.

COPY OF LETTER OF JULIUS PIRNITZER TO BARON ZWIEDINEK.

MAY 3RD, 1915

DEAR COUNCILLOR: I acknowledge receipt of your favor of the 1st inst. I beg to inform you that in the meantime I received from Dr. Gates the enclosed letter which kindly return to me after perusal. Although the arguments therein contained do not seem to be absolutely plausible. I would not simply drop the matter *owing to its great importance*, and resumed negotiations. Dr. Gates *bound himself by handshake not to offer for sale his inventions to any state at war with Austria-Hungary until we shall have passed definite decision*. If in the course of negotiations something important occurs, I shall take liberty in informing you thereof.

Very respectfully yours,

JULIUS PIRNITZER

Encl.

To His Excellency Baron ERICK ZWIEDINEK VON SUDENHORST

I. & R. Councillor of the Embassy

Washington, D. C.

EXHIBIT 20.

COPY OF LETTER FROM JULIUS PIRNITZER TO ZWIEDINEK REFERRING TO THE SINKING OF THE LUSITANIA.

MAY 10TH, 1915

To His Excellency Baron E. ZWIEDINEK VON SEIDENHORST

Counsellor of the Embassy,

Washington, D. C.

DEAR MR. COUNSELLOR: I acknowledge receipt of your favor of the 8th inst. and thank you very much for returning of Mr. Gates's letter who went back to Washington and from which I did not hear since.

I am very glad to hear that the sinking of the Lusitania will not result in further complications and hope that sensible business men here will be of the same opinion. It is deplorable that the newspapers seem to have shot far beyond the aim and as a result of their agitation there is still certain excitement noticeable among the broad circles of the population. Should it be possible to check the agitation of the press which eventually is being inspired from England, then all excitement will disappear.

With the expression of my sincerest esteem I beg to remain.

Yours truly,

JULIUS PIRNITZER

EXHIBIT 21.

COPY OF LETTER FROM PIRNITZER TO THE AUSTRO-HUNGARIAN CHARGÉ D'AFFAIRES REGARDING GATES' INVENTION.

APRIL 29TH, 1915

DEAR MR. CHARGE D'AFFAIRES: In connection with my respects of the 22nd inst., I beg to inform you that to-day I had a long detailed conversation with Dr. Elmer Gates and arrived at the opinion that the idea of acquiring his

ventions could be met only by competent authorities at home. Dr. Gates was rather of a declining attitude towards my encouragement to go to Austria, although I made him the offer that I am willing to cover his travelling expenses. I have arranged for a meeting between Dr. Gates and the *German Marine-Officer* referred to in my former letter, and permit me to send you a further report concerning this matter to-morrow.

Yours truly

JULIUS PIRNITZER

To His Excellency
Baron Erich Zwiedinek von Südenhorst
Emp. & Roy. Charge d'Affaires
Washington, D. C.

EXHIBIT 22-23.

COPY OF LETTER FROM ZWIEDINEK CLEARLY INTENDED FOR PIRNITZER, AMONG WHOSE CORRESPONDENCE IT WAS FOUND.

WASHINGTON, *April 21st, 1915.*

Yesterday Mr. Elmer Gates called on me and I remarked that it was ten o'clock P. M. He alleges that through the influence of common friends He has detected his German heart. He is namely American, but of German descent and his grandparents were yet called Goetz. The aim of his visit was to interest me for three of his inventions. One of them is supposed to be an instrument to increase (multiply) the power of explosives. The other an apparatus to direct bombs, thrown from a height, in their falling, so that they find their object for sure. The third one is an instrument for paralyzing the radio-waves in a radius of ninety miles. He alleges that the Newport News Co., respectively Mr. Fowler, the agent of the same and his good friend, want to induce him to sell his inventions through this firm to the state making the highest bid. But Mr. Gates says that he cannot make up his mind to do that, but would like to see us to have the benefit of it. He cannot hand it over to the Germans direct, he says, owing to some already existing obligations of his own business friends, but he would have no objections to it if we would only be strawmen in that business. But now immediately follows a little hitch. The instruments and outfits necessary for the demonstration would cost 30 to \$60,000, and this demonstration as well as the financing of such demonstration must be done here. He stated though that experts already are convinced, by the explanation of the inventions, of their practical usefulness. To such an extent that the money can be considered as an excellent investment. Improbable as the whole thing is, I think that I should not simply refuse Mr. Gates, after having received information about Gates from our secretary Mr. Sobotka, that he is a well known scientist in physics and chemistry and was recommended to the Embassy by Mrs. Watson, a friend of Mme. Henglemüller. As Mr. Gates is going to New York I thought that the only possibility would be to advise him eventually to you. Should you be of the opinion that this man can be taken seriously you could perhaps cause him to meet the German Military and Naval attaché respectively, who know various experts, or perhaps you know some experts yourself. Or else you tell him in a quiet way that you cannot enter into any further negotiations. Mr. Gates goes to New York today and will stay at the Manhattan Hotel at least for two days. Would it be too much to ask of you to call him up by the phone and ask him when he would come to see you? I gave my card to Mr. Gates to introduce him to you which he will probably send in and which you better keep then. I would be much obliged to you for dropping me a line occasionally to that effect whether and how you have disposed of the matter. Begging your pardon once more for troubling you with this matter, I am

Very truly yours.

E. ZWIEDINEK.

EXHIBIT 24.

COPY OF LETTER FROM JULIUS PIRNITZER TO EX-AMBASSADOR DUMBA AS TO AUSTRIAN WAR LOAN.

NEW YORK, *June 26th, 1915.*

YOUR EXCELLENCY: I received your favor of the 23rd inst. and feel myself honored by the kind words of your Excellency, devoted to my modest activity.

I appreciate the recognition rendered to me so much more as it comes from the most competent place and breaks the point of unfavorable criticism here.

I thank you for the opportunity of explaining the business policy of our institution regarding the sale of the Hung. War-loan and beg to be excused if explanations will be beyond the limit of a short report.

Among the three classes of buyers that can be considered in the Hung. War Loan *only our immigrants* can be taken seriously the American world shows an entirely reserved attitude, the intelligent class of our countrymen is not only small but also mostly poor, so that only the immigrants to whose patriotism and liberality we can appeal.

In the interest of success it was indispensable to draw into the action the greatest possible number of Hung, American country bankers, who enjoy the confidence of our countrymen. If our institution would have made appearance all alone then the malice of our competitors would have caused many inconveniences. A successful cooperation, with these elements was only possible after they were promised a reasonable reward. This was fixed at 75 cents per 100 Crowns nominal (value) which amount is somewhat higher than customary in domestic issues, but adequate to local conditions here. It must be namely considered that the character of a state loan is something strange to the immigrant and that there are lengthy discussions over each individual subscription in order to enlighten him *and disperse his anguish*. Besides the individual subscriptions are very small amounting as a rule a few hundred crowns only. I mention it here that New York bankers with whom we started the action jointly originally were asking a commission of 75 cents per 100 crowns, and the reduction to of same to 50 cents was only accomplished after lengthy discussions as a compromise for further favors.

There are two kinds of elements here to fix fundamental prices: interest and the rate of exchange. Coupons of the 6% Hungarian loan are due May 1st and Nov. 1st. Every year of course, the subscriber should receive the current interest until his subscription reaches home (abroad) after getting the full amount of the coupon on the first of November. Taking into consideration the low intellectual level of our immigrants and also that of our private bankers and having regard to their unexpertness in financial matters it would have been almost impossible to make them understand this way of counting interest. It was even to be feared that the immigrant whom they try to enlighten that now he has to pay interest and later on he receives interest would have such an idea of the matter that he not only lends his money to the State but has to pay interest thereon besides. This anguish was so much justified as it happens quite frequently that Hung. Amer. country bankers take deposits from our immigrant and instead of paying interest thereon charge a fee of 4% to 6% for keeping same. The rate at which the loan was offered to immigrants had to be fixed in such a way that it included the interest until the time when his subscription reached Budapest. As we receive subscriptions up to July 15, and expect the largest amounts just during the first days of July the rate of the loan had to be fixed with an addition of interest for 3 months. The domestic rate of the Loan 97.50 crowns per 100 nominal (value) the 6% interest from May 1, to July 31, is 1.50 cr. per 100 nominal (value) so that the actual cost of the loan here amounts to 99 cr. per 100 cr. nominal (value).

The second element of fixing the price is the rate of exchange. This was at the start of the action \$15.50 per 100. cr. and successively came down to its present stand \$15.20. We took an average rate of 15.30 at which a loan of 100 crowns including three months interest would be 15.16. to this must be added the agents commission of 50 cents whereby we come to the price of 15.65 per 100 crowns. As you know the loan is being offered to the public at \$15.75 and the profit is 10 cents per K.100. We presume that we will be able to sell 3 million crowns worth of bonds (war bonds) which would make a profit of \$3000 for us. But out of this we have to pay considerable expenses connected with the issue. I mention only two large items. Up to this time we have sent 50,000 circulars the postage for which amounts to \$1000.—at 2 cents a copy. Advertisements in newspapers cost us so far \$800.—we pay 66% of the costs and the rest is paid by the agents. And up to the 15th of July amount must be doubled. So those two items of \$2600.—are to be deducted from the \$3000.—profit the whole transaction would bring us a profit of \$400.—out of which many smaller costs are to be paid. So we will get square in the whole transaction if the amount of subscriptions reaches 3 million crowns. We are also liable to lose something if this amount cannot be realized.

Besides these two elements some others more or less subordinate are to be considered which partly mean, or can mean, our own profit and partly our loss. To the first class belong the subscriptions received at our counters direct for which we get full commission. To the second class belong the commission of 5 hellers per 100 Crowns payable to domestic agents it is problematic whether we get it while we promised it to bankers cooperating with us at all events. In case we fail to get the domestic commission to which we have no proper claim according to the terms of subscription then we will have to pay the corresponding amounts from our own. Then we also have to figure on a raise of the rate which although not probable, always can come. We *always have to keep an eye the low intellectual level of our immigrants among whom those subscribing later would consider a raise of the subscription price as an injury and we have to keep up the price of \$15.75 per 100 crowns till July 15th regardless market fluctuations.*

I tried to submit to you frankly our business policy but could not go into details which also factors of determination. I am afraid to have taken too much of your valuable time in an unbecoming way and beg to be pardoned for it.

Very respectfully yours

JULIUS PIRNITZER.

To. Dr. THEODORE CONSTANTIN DUMBA

I. R. Hungarian Austro Hungarian Ambassadors, Lenox, Mass.

EXHIBIT 25.

COPY OF LETTER FROM AUSTRIAN CHARGÉ D'AFFAIRES TO JULIUS PIRNITZER REGARDING ENEMY WAR LOANS, ETC.

WASHINGTON, Nov. 9th, 1915.

DEAR MR. PRESIDENT: We just received the following radio order:—"With regard to your considerations put forward by wire omit subscription for third war loan at consulates widest propaganda for both loans by Transatlantic Trust Co. sufficient it is understood that of the two loans none will be favored, *payments for Austrian loan to be assigned from Trans. Tr. Co. to Kuhn Loeb to account of Austrian Government.*

The Embassy of late sent out special order to Consulates regarding the loan by which they are called upon to do their best for a lively participation.

I ask myself whether the question of commission for the Transatlantic Trust Co. is adjusted, for your institution can not live on air.

Do not blame me very much for reminding you of your kind readiness to give an opinion regarding the English-French loan. I think this report should be sent off shortly. An opinion of the absorbing of the values by the public might be possible now. Upon this will depend the chances of a further similar loan. An improvement of the English note exchange seems not to have been accomplished either. Will the exchange of the bonds fall soon?

The most important thing really is not the past but the near future. How about further chances of the loan? In the papers I read about negotiations of English banks for credits of 100-300 millions against charging of American values. Of course such credits will be given to the allies as long as they are able to give values which can be charged but how long will the English people be willing to place the American securities at the disposal of the creditors? There really must be still an inexhaustible supply of good papers (values). Is it true about the Italian Loan of 28 millions and did Italy have to give security for it? And how about the Russian loan, for which as much as 9% was offered?

I would be very grateful to you if you would say something on all these points in your statement, but I think it must not be very detailed.

It would be very interesting to me to hear your opinion as to whether the monarchy should take special pains to get a loan here in America. *Of course, the more money taken out of this country the less will be left for the purpose and purchase of allied bonds.* But on the other hand our exchange now is very low and already thereby we are paying useror interest in dollar-countries and so much dearer also the redemption will be some day. I am asking this be-

cause I received a suggestion from St. Louis not long ago, but I do not know, however, whether the one referred to could really make a concrete offer. With best regards,

Yours truly,

ERICH ZWIDINSKY

EXHIBIT 26.

COPY OF CIRCULAR ISSUED BY THE HUNGARIAN ROYAL POSTAL SAVINGS BANK

[Translated—June 14, 1918.]

HUNGARIAN ROYAL POSTAL SAVINGS BANK

2827/

1915

TO THE TRANSATLANTIC TRUST COMPANY

As representation of the Hungarian Royal Postal Savings Bank

NEW YORK

Facing those anxieties which in the circle of our countrymen in America might arise in relation to the safety of the money transmitted from Hungary, the Hungarian Royal Postal Savings Bank publishes the following.

Any amount be it small or large transmitted by the Transatlantic Trust Company and its correspondents will without delay be paid to the addressee that in cash and without deductions.

Proof of consummation of payment is the "verification coupon" received by the transmitter, upon which the addressee acknowledges with signature by hand, that the money was received.

If the "verification coupon" will for any reason fail to arrive in America, upon request we will commence investigation regarding the case of payment. If the correctness of payment we will have proved officially.

Budapest, August 6, 1915.

(signed)

HUNGARIAN ROYAL POSTAL SAVINGS BANK
BAROSS,

Ministerial Counsellor, Vice Director

EXHIBIT 27.

COPY OF LETTER FROM PIRNITZER TO AMBASSADOR DUMBA SHOWING FEAR OF INVESTIGATION OF THE TRUST COMPANY.

JULY 12TH 1915

YOUR EXCELLENCY: Enclosed please find an envelope which shows the letter sent to us from Rumania has been examined by the British censor. In my opinion it would be the best test to the state department's undertaking to maintain it. If you don't agree with this opinion as to whether it is the State Dept. in the name of the Trans. Trust Co., would be very respectfully yours

To His EXCELLENCY SR.
I & R Austro Hung

EXHIBIT 28.

COPY OF LETTER FROM PIRNITZER TO BARON PAP SHOWING CO-OPERATION IN
PROMOTING RE-MIGRATION TO HUNGARY.

S. S. "SAN GIOVANNI, Oct. 10, 1914.

YOUR EXCELLENCY: Upon the first news of the outbreak of European war the money order business suddenly came to a stop, for our immigrants were afraid that their money gets lost on the way, or that the Hungarian Government will use it for its own purposes. As a result of our propaganda, started jointly with our foreign representation here the money order business again set in during the past weeks, but its character got a radical change. For, while in former times a considerable part of the money, sent home, was intended for deposits and investments and consequently there were among the remittances sums exceeding 5,000 Crowns, the present remittances are intended for the relief of the immigrants' families left abroad and the individual items are rather small. Under such conditions I was unable to send you the list of names set together on the basis of the money order business, and I fear that for a long time we will have no material for such lists.

Under present circumstances it would have been purposeless to send you the list of such immigrants who might have been interested in the purchase of real estate abroad. There is no Hungarian immigrant in America at present who wants to buy property at home and no change of the situation can be expected before conclusion of peace. I will discontinue to collect the addresses of these people for the present.

We are anxiously awaiting the news coming from abroad; the cursed dissension among American Magyars came to a stop and all of them join in the prayer that the God of the Magyars may lead our arms to victory.

Very respectfully yours,

JULIUS PIRNITZER.

His Excellency BARON GEZA PAP
Gen'l Director of Hung. Credit Banks
Budapest.

EXHIBIT 29.

COPY OF LETTER FROM ZWIEDINEK, OF THE AUSTRO-HUNGARIAN EMBASSY, TO JULIUS PIRNITZER, PRES. TRANS. TRUST CO., GIVING INSTRUCTIONS AS TO THE HANDLING OF THE NOTORIOUS RITTER AND PAYING HIM FOR STATEMENTS THAT EXPLOSIVES WERE CARRIED ON THE "LUSITANIA"

LENOX, MASS., July 19th, 1915.

DEAR MR. PRESIDENT:—Your inquiry by telegraph concerning Ritter just received. The Embassy does absolutely not wish to have anything to do with Mr. Ritter and Consular offices also were notified to preserve the greatest reserve possible and give him no money in case he should call on them.

I wish to explain you the situation in a few words. Regarding his inventions we received from the Ministerium after repeated urgency the telegraphic advice "offer not accepted." From this I conclude that the Ministerium does not deem it necessary to bring any sacrifices in order to keep Ritter from selling his inventions to another power if they are worth anything at all. In case of emergency we could use against Ritter the material in our possession, as he expressly sold the invention for the sums already received and bound himself in the document, besides, to pay considerable damages in case he should communicate the secret to somebody else. But I think we do so much better if we don't attribute any value at all to this invention of his and let him do with it whatever he pleases.

As far as his statements regarding the shipment of explosives on the Lusitania and other passenger ships are concerned, whereof Ritter most assuredly has also told you, he succeeded in having found a believing heart with Consul Ludwig and had been travelling at the Consulate's expense to gather proofs. Consul Ludwig then surprised the Embassy with the report that quite a considerable amount has already been expended. I found it necessary to go to Cleveland personally and made out with the Consulates attorneys of that place that all further delays must come to an end and that Ritter, be requested to give an affidavit as well as to produce various evidences supposed to be in

his possession. Ritter alleged for instance, to have a copy of a bill of lading regarding the shipment of 600 tons of gun cotton, which gun cotton is supposed to have been shipped them in barks from some place in Delaware direct to the pier of the Lusitania. This copy made the most incredible adventures and according to Ritter's statement, has always been just in some way he had to leave as surety in some hotel for lack of funds. As this proof never made real appearance, it was the same thing with the various witnesses named by him. Ritter was for instance, fresh enough to state with accuracy that one of these witnesses who can give prompt explanation of these shipments of explosives packed under the supervision of the British Military Attaché in Wilmington, is at present in Fremont, Ohio, where he was placed by Ritter in a chemical factory and now ready to testify in the matter. An employee of the lawyer's firm sent to Fremont found out that there was no employment in the chemical factory, and the alleged witness did not appear in Fremont at all. As the whole thing was rather a great net of lies, the Embassy has been reluctant in making any report to the Department of State and notified the German Ambassador to the effect that we are ready to drop the matter. But hereafter the Embassy received from the attorney in Cleveland the complete affidavit of Ritter which describes in the most explicit manner the alleged shipment of the explosives and wherein the various witnesses are named. The Embassy sent this affidavit to the Department of State but expressly accentuated to give no guarantee whatever as to the reliability and character of Ritter. Request was also made to treat the matter strictly confidential that the press should not learn of it, or else the Embassy would be attacked and motives attributed to us that were far from us. We also stated that Ritter himself, too, requested confidential treatment. We are hereby justified to deny any knowledge of Ritter's alleged statements should he ever try to refer to the Embassy or the Consulate. The only thing we could say for the present in case of emergency is that he offered us an invention of pretended military value and that we paid him various smaller sums in order to hinder him from giving it over to a third power, but now we were informed by our government that they have no use for his offer. As Ritter does not get anything more from us and Cleveland also received strict order to get rid of that man, he now alleges to have entered into negotiations with the German Embassy and been authorized by Ambassador Bernstorff as well as by military attaché Papen to continue his investigations in the matter. Under this pretense he already cheated Consul General von Grivicic of \$25, and now he is trying to do the same again with you. And still it is evident that in case the German Embassy would employ him it would also give him the necessary funds. But after the reports I sent to the German Embassy, it is entirely improbable that they will enter into any negotiation with him. Ritter could have been accepted the position found for him by Consul Ludwig, and not to depend more on the income secured for him temporarily by his swindling proceedings. Instead of that he failed to accept the position and continues to try to make himself important alternately with the British and our own authorities and late also with the German authorities by entirely fabricated statements in order to cheat our some money. The continuous appearance of this individual in various offices could cause the most unagreeable misinterpretations and is therefore absolutely necessary to get rid of this man energetically. I request you to explain to Mr. Ritter, in a way which excludes every doubt, that the Embassy is not in a position to receive him any more. His trip to Washington behind the back of the Embassy, was most inopportune and we have nothing to do with the expenses in connection therewith. Should it appear by an investigation of the State Department that he told us the truth, we are ready to give him some money *once more*. But we ourselves, are firmly determined to do nothing until that time and to evade every appearance as if we would not authorize him to make any further investigations. By handing over the affidavit to the State Department we positively took our hands from that man.

With best regards,

Yours truly,

E. ZWIEDINE

EXHIBIT 30.

N. Y. July 21, 1917

DEAR COUNCILLOR: I acknowledge receipt of your favor of the 19th inst. and thank you very much for your extensive information regarding Dr. Ritter's personality. The impression this man made on me was anything but

Consequently I had to be very reserved. When in spite of this I decided to telegraph to you I have only done so in order to avoid even the remotest possibility of neglect.

Ritter first made a complaint regarding the treatment given him of late by our consulate and as I did not heed it he referred to the support he receives from the German Embassy, and after he could not arouse my interest by this either he declared to go from me direct to the British Consul General to reveal there some alleged secrets.

As he was entirely without money—his cash being only about \$1.00—I gave him \$5.00 from my own pocket to rent a room in some hotel and to make a party meal with. Today he called me up again by telephone asking whether I already received instructions from Lenox or Cleveland and to my negative answer he said that later on he will call once more but he didn't.

The man seems to feel what I think of him and will hardly bother me any more. Should I however see him once more and find out that he intends to do something of any importance I shall not fail to report it to you.

Yours very respectfully.

To His Excellency

BARON ERICH ZWIEDINEK VON SEIDENHORST
I & R. Councillor of the Ambassador
at present Lenox, Mass.

EXHIBIT 31.

SEPTEMBER 3, 1910.

Note by G. Radin, who assisted in the investigation by the War Trade Board of the Transatlantic Trust Co.: The following correspondence and the attached lists of names sent to the Transatlantic Trust Co. by or through the Imperial & Royal Austro-Hungarian Consulates of various parts of the United States shows the close connection between the Transatlantic Trust Co. and the Austro-Hungarian Consulates. Various correspondence, as the above mentioned shows, so the influence the Transatlantic Trust Co. had over the sub-divisions of the Imperial & Royal Austro-Hungarian Consulate.

807 SPRUCE ST.,
Philadelphia, Pa., January 19, 1918.

To the Honorable TRANSATLANTIC TRUST Co.,

67-69 William St., New York City.

In reference to your esteemed letter of the 26th of last month, we have the honor to place at your disposal a specification of the addresses of private bankers who reside within the small district of this office, also a list of private Notary Publics, Justices of Peace, Steamship-ticket agents and agents as far as they are known to this office, on account of many intermediaries who do not belong to the list of bankers, coming into the position of taking over remittances for our nationalities or at least giving advices in this respect.

In the opinion of this office, the consultation of the intermediaries named would be one of the most proper things, in order to extend remittance business, i. e., to make it more intensive. On the other hand, however, this is connected with a disadvantage, because several of the persons listed, if not trustworthy, can be of more harm than of benefit.

Therefore, this office cannot assume any responsibility whatever with regard to the trustworthiness of the intermediaries named, but it would be ready to answer inquiries from your esteemed institution, in order to procure information concerning the several intermediaries, and to advise the result in a confidential manner.

Finally we beg to inform you that at the same time the commissioners of the Imperial & Royal Consulate at Wilkes Barre, Pa. too were requested to compile a list of the private bankers, etc. in their district and to send same to your institution directly. With the expression of excellent esteem,

(Signature undeciphered)
Imperial & Royal Consul General.

4 Enclosures.

EXHIBIT 32.

COPIES OF LETTERS PASSING BETWEEN SKOTTHY AND LUSZTIG, EMPLOYEES OF TRANS-ATLANTIC TRUST CO.

" BUFFALO, N. Y. March 5, 1914

To the attention of Mr. JOHN SKOTTHY.

Enclosed I am sending a draft for \$2.105 Liberty Bonds, \$50.—each which was handed in by Alexander Ökrös. He is sending also \$5.— so as to complete the round amount of \$700.— If, however, this \$5.— would not be enough, I kindly have the round amount credited to the said party just the same. I have the books sent to him because I shall collect the amount which may be short.

Yours sincerely

(Signed) IGNATZ LUSZTIG

To the above John Skotthy answered as follows:

" NEW YORK, March 6, 1914

Mr. IGNATZ LUSZTIG,
General Delivery, Buffalo, N. Y.

DEAR MR. LUSZTIG: With today's mail we received the money which you had sent to us. We shall sell at today's rate \$450 Liberty Bonds and shall advise you how much more you will have to send in for Ökrös, so that the \$700.— shall be completed. The \$5.— sent is not enough in any case because Liberty Bonds are quoted very low today.

Yours very truly,

(Signature does not appear, but the letter was evidently signed by John Skotthy.)

EXHIBIT 33.

COPY OF LETTER FROM J. PIENITZER, PRESIDENT OF THE TRANS-ATLANTIC TRUST CO. TO THE THREE HUNGARIAN BANKS WHICH OWNED A MAJORITY OF THE STOCK OF THE T. T. CO. ADVISING SUBSIDIZING OF THE CROATIAN PRESS IN THE UNITED STATES AND OTHER PROPAGANDA TO INCREASE THE EXPORT OF IMMIGRATION SAVINGS.

S. S. ANTE ALLITHIELL
Feb. 27, 1914

HUNGARIAN GENERAL CREDIT BANK
PESTER HUNG. COMMERCIAL BANK
HUNG. DISCOUNT & EXCHANGE BANK } *Directorium.*
Budapest.

I beg to acknowledge receipt of your favor of Jan. 12th last where you were kind enough to inform me of negotiations held with representatives of Croatian-Slavonian-Dalmatian Government regarding transmission of money to Croatia-Slavonia-Dalmatia and have sent me a copy of the memorandum submitted to the said government. In conformity with your esteemed direction I beg to express my opinion of the plan in question as follows:

I wish to promise that the development of the money order business to Croatia always had our attention the same as the business to Hungary proper. Although we have no separate statistics regarding the Croatian business, it, nevertheless, can be determined and controlled at the Hung. Roy. Postal Bank that more than our existence about one quarter of the 170,000 items and more than 37,000 crowns respectively went to Croatia. The Hung. Roy. Postal Bank as well as we ourselves are using Croatian print in our Croatian money order business. Only regarding publicity here we made distinction so far inasmuch as at this time we did not avail ourselves of the Am-Croatian press for propaganda purposes. But there is a reason for this too; namely the majority of the Croatian Press is not only anti-Magyar, but it openly agitates against Hungary against the Monarchy and the dynasty. The advertising of our institution in the organs of said Press would have been equal to the approval of these state tendencies, if we would pass by these and advertise in one or two papers mentioned.

before dealing with the possibility of dividing the Croatian money order business between the Hung. Roy. Postal Bank and certain Croatian Bank I think it necessary to acquaint you in brief with our present money order system. Money orders received by us partly directly and partly indirectly, are being forwarded to the Hung. Roy. Postal Bank which sends each amount in a special order of payment to the addresses. Every payee gets a notice besides, with the request to return the identification slip, serving as receipt, to the Hung. Roy. Postal Bank which delivers same through us, to the sender. The acquisition of the identification slip is the trump of the Hung. Roy. Postal Bank's assigning system. As this can be had through us only, and as we appoint only reliable banks and bankers as our correspondents, after some time we will render impossible the activity of unfair elements who are not able to get the identification slip generally demanded by the immigrants. I wish to accentuate also on this occasion, that the Hung. Roy. Postal Bank is doing this hard work with unparalleled assiduity and in the most perfect manner. Private institutions are unable to get even the payee's receipt free of charge, nor can they pay the same attention to this almost unprofitable business as a state-institution can do it. Should, therefore, our money order business with its present system, be divided between the Hung. Roy. Postal Bank and certain Croatian Banks, we would then be obliged to give up the identification slip in part of our money orders, whereby the success of our business policy-existing on the ground of said slip, would be frustrated. Besides this the slower handling of money orders by private institutions would put our system now recognized as the most perfect one into an unfavorable light. Finally, even that is to be considered that the Croatian Government and the banks there would hardly approve of our connection with a certain Croatian bank—although to the detriment of our money order system's perfectness but we would stick to it that we should do business with more Croatian banks. This kind of division would result in the dissolution of a uniform system so indispensable in the money order business, it would extremely aggravate file-keeping and would cause much friction between the Croatian banks themselves as well as between them and ourselves. I, therefore would not deem it advisable to add also Croatian banks to our present money order system.

But it would perhaps be possible to coordinate Croatian banks to our present system and make them work parallel with us. This could be done by checks of which system for the time being is not unknown among the immigrants and which most assuredly can be made popular by proper propaganda. We would make an agreement with financial institutions to be indicated by the Croatian Federal government, according to which (agreement) they would immediately cash checks issued by our correspondents in their name and advised by us, and charge them in account of some of our founding institutions. We would make arrangements with the founding institutions that they, or their Croatian branches respectively credit these checks to the existing Croatian bank at the rate of the date of exchange. We would have to see to it that there should always be sufficient credit at our disposal in the founding institutions that the exchange can be effected without disturbance whatsoever. In order to prevent forgeries these checks should be printed on special paper, on so-called "safety paper" which erasures or manipulations with chemicals is impossible. In order to avoid forgery of the amount by writing a numeral to the check, the checks would have to be issued in certain series on each of which the maximum amount would be printed. Thus there would be separate series for 100, 200, 500, 1000 and 5000 crowns and checks. The printed text would be parallel English and Croatian, and in writing either in English or Croatian language could be used. On the back side of the checks a list of all Croatian exchange places could be printed, and a short direction in the latter, and in conclusion the remark. That all complaints connected with the exchange of these checks would be reported to the department of the Interior of the Croatian government, class 111. F. Regarding the Hung. stamp revenue on these checks the Hung. Roy. Ministerium of Finance surely would permit the payment of same in advance. We would distribute these checks to some of our correspondents of whom we know than in their place or in the neighborhood of same Croatian immigrants are living in masses whom we would instruct as to proper handling of the checks. In order to facilitate the going into effect of these checks we would allow our correspondents a corresponding commission the amount of which would increase with the quantity of business. *In behalf of popularization of this system we would employ a traveling agent, devoting his time exclusively to the propaganda.* In using

this system the identification slip could be eliminated, for experience at that people at home inform the sender immediately upon receipt of the money. But taking into consideration that there are many analphabets among the immigrants and their relatives at home, we would furnish our correspondents with accompanying letters in Croatian language wherein we would state in a similar form that enclosed is a check which can be cashed in the way particularly described. The sender is asking the payee to acknowledge receipt of the money by signing or causing to be signed a slip attached to the bottom of the envelope which can be easily detached. Our correspondents would be instructed to attach the letters for those who cannot write and address the envelope as well as the return envelope. In each letter would be enclosed an envelope addressed to the sender that the above mentioned slip can be returned. We would insist to it that our correspondent always should have a sufficient amount of Heller stamps which can be pasted on the envelope by the immigrant. Experience proves it that the payee does not acknowledge receipt of the money for the simple reason that he is too stingy to spend money on stamps.

The advantages of the above system are that the payee is obliged to appear personally in some Croatian bank in order to cash the check where he often can be induced not to take the money due him but to deposit it in the savings department. It is understood by itself that by these checks also payments can be effected to any Croatian bank and deposits made respectively for which purpose the respective bank will have to be named as payee. Particulars may be mentioned either on the check itself or in the accompanying letter. This system can after a while stop wasting of Am. money in Croatia. It is a well known fact, that at this time a considerable part of the Am. Money sent to Croatia partly increases the use of liquor there. In Croatia places the excise revenue is growing in straight proportion with the increase of emigration and partly tends to satisfy the luxurious inclinations of the peasants. I cannot omit to mention that the accumulation in the banks of money sent home would also put the economical policy there on a sound basis.

As to propaganda I beg to propose: No matter in what form the arrangement between the Croatian government and the founding banks will be arrived at, it can be supposed at all events that the negotiations will last for a considerable time, while under present circumstances the starting of one kind of the propaganda is absolutely necessary. War conditions, the anti-state attitude of the majority of the Am-Croatian Press and official agitators paid by Russia by their activity disturbed the mind of Croatian immigrants to such an extent that they do not dare to send home any money at all, fearing that the government may confiscate it. *It is understood by itself that we have done everything we could to paralyze these influences, but our activity can only be of what it ought to be under present conditions. The second part of the arrangement is up to the Croatian government* which I beg to outline in the following:

The Croatian administrative authorities would have to be told as follows: The families having some emigrants in America that money can be sent from America with absolute safety. Whoever expects money from America should report the name and address of his relative there (in America) to the Croatian Department of Emigration which will see to it that the relative in America be instructed accordingly. The Croatian government will guarantee that such report will not be used for military or tax purposes. The department 111 F. of the Croatian government would inform our institution as quickly of the name and address of the reporting party which institution would bind itself to send proper circulars with a money order blank in advance, also with a postal money order and return envelope, so that the Croatian immigrants would have nothing else to do but to mail to us the money order intended for transmission abroad. I have no doubt that the American money order business would quickly and substantially be improved by this arrangement.

Besides these arrangements a propaganda scheme on a larger scale to be realized gradually should be taken into consideration. The first step should be the establishment of a separate Croatian department in our institution. The manager should be a man to be appointed with the consent of the Croatian government should have the right to delegate for this position its own representative who would be under our jurisdiction in the same manner as the manager is now. To control the activity of this department the Croatian government could at any time send over its representatives. The second step would be that the Croatian government would publish a guide to be drafted together with the use of the Croatian immigrants who would get some together with

*amship tickets. The third step would be an agreement with the Am-
 oatian press or with that part of it whose political creed can easily be bought
 th money in order to influence the immigrants. The founding of a new
 i-Croatian paper also should be considered the circulation of which would
 very easy on account of the address-material in our possession. I remark,
 ever, that the press action, although closely connected with our activity,
 ould be entirely separated from it, for the reason that collision with banking
 s here be avoided. The fourth step would be the employment of Croatian
 rks in all I. & R. Consulates in the U. S., also the establishment of consular
 ncies in territories inhabited chiefly by Croats. As fifth step can be
 sidered a radical reorganization of the clergy working among Croatian
 migrants in such a way that present priests of anti-state tendencies be re-
 ved and substituted by patriotic monks to be kept under strict discipline.
 e sixth step would be the influencing of Am-Croatian society life, partly by
 e press, partly by the clergy, partly by representatives of the Croatian
 vernment to be sent over from time to time.*

It is necessary that with the Croatian propaganda be connected the unre-
 ating prosecution of anarchistic papers in which action the U. S. Postal
 partment through the I. & R. Embassy at Washington, could render the most
 uable services.

I hope that this scheme will suit the competent circles of the Croatian gov-
 nment that a greater subsidy should be achieved on this basis. As to the
 e of this subsidy I beg to propose that the proportional number of Magyars
 d Croatian immigrants living in America be used as key which is about 3:1.
 e the subsidy to be asked from the Croatian government would be one-third
 the subsidy received from the Hung. Government in other words: It would
 ual to using a deposit of k. 300,000 without interest. But I would deem it more
 oper to grant the subsidy not in the form of deposit but allow an annual
 pport of \$10,000 instead. I beg to propose that the agreement be made
 ectly between the foundling banks and the Croatian government and notice
 this binding agreement should be taken not by the institution as such that
 ly by myself personally. Hereby it would be possib'e that the subsidy to be
 ceived would entirely flow into the treasury of the founding institutions
 hich could use it for the covering of expenses incurred by the establishment
 our institution, as well as of those pending.

It should be understood, however, *that my institution should only bear the
 penses closely connected with the business propaganda while the political
 opaganda would concern the Croatian government.* Some allowance should
 e given though as the expenses of advertising in Am. Croatian papers paid by
 s, can be qualified as political influence of those papers.

I deem it my duty to refer to the fact that in conformity with § 4, of the
 greement between the Hung. Roy. Postal Bank and my institution we are
 liged to pay the moneys, sent by immigrants through us by checks of Hung.
 oy. Postal Bank and through the clearing House. You mentioned in your
 tter cited above that the Hung. Royal Postal Bank will cooperate to the effect
 at the business be divided between itself and the Croatian banks according to
 competent Key, I, nevertheless, would deem it advisable that the Hung.
 oy. Postal Bank should cause a change of the § referred to and to its best
 at the agreement with the Croatian government be made in due time.

Respectfully yours,

JULIUS PIBNITZER.

EXHIBIT 34.

**COPY OF LETTER FROM AUSTRIAN CONSUL AT CHICAGO TO TRANSATLANTIC TRUST CO.
 REGARDING PROPAGANDA AMONG POLES FOR TRANSMISSION OF MONEY.**

**I. & R. AUSTRO-HUNGARIAN CONSULATE GENERAL,
 Chicago, Ill., July 12th, 1915.**

Ref. No. 10051/C-675.

TRANSATLANTIC TRUST CO.

67 William Street New York.

In reference to your favor of the 11th day of May regarding taking ad-
 vantage of Polish countrymen in transmissions of money to the Fatherland, we
 eg to send you in enclosure a list of the most important Polish-American
 ewspapers.

SCHUSTER,

I. & R. Austro-Hungarian Consulate-General.

EXHIBIT 35.

COPY OF PRELIMINARY CONTRACT EXECUTED BY THE THREE HUNGARIAN BANKS
WHICH BECAME MAJORITY STOCKHOLDERS OF THE TRANSATLANTIC TRUST

Protocol.

Taken up in relation of the matter of the Hungarian Money Institutions established in America at the conference on *December 4, 1911.*

1. Cognizance is taken of the memorials to be presented to the Hungarian Royal Department of Finance and Hungarian Royal Department of Commerce.

2. Out of the shares of the bank to be established in America the founding institutions in proportion of their mutual participation have the following sub participation:

To the Hungarian Mortgage-Credit Bank 7½%

To the Hungarian Bank & Commercial Stock Co. 5%

To the Hungarian Agrarian Revenue Bank 5%

Furthermore to the Central Credit Bank of Hungarian Money Institutions and to the six Rural Institutions represented by it 9.12%.

With regards to the agreements to be made with the Hungarian Royal Department of Finance these above mentioned institutions (with the exception of the Rural Institutions, which have undertaken 0.76% participation in the bank) will block for ten years the shares to be taken over on basis of their participation and are obliged to transfer to these founding institutions the right of vote from these shares. Besides it will be the right of each founding institution to hand down further sub participations out of its own participation with reservation of the right of vote and the obligation of blocking for ten years.

It is decided furthermore, that sub participations will be handed down to American Institutions and firms also: these institutions and firms, together with the gentlemen who are to travel to New York within the nearest future will on the basis of mutual understanding come to decision in relation to carrying into effect the foundation. To these banks respectively firms— inasmuch as it would not be possible with an obligation of blocking for ten years the shares will be handed down with an obligation of blocking for four years but the sum of these sub participations cannot exceed the 30% of the shares according to the agreement made with the Hungarian Royal Department of Finance. Inasmuch as the American Sub Participants would not take the share quantity amounting to 30% of the whole basic capital, then the institution will have the right to hand down sub participations with blocking for four years within the above mentioned limit out of its own participation. The right of vote from the shares to be handed down with blocking for four years is to be reserved also for the benefit of the founding institutions the right of the blocking possibly.

The total of the shares will be deposited by the founding institutions with the Hungarian General Credit Bank. Regarding the representation on the convention and the utilization of the right of vote at the convention in relation to the total shares at disposition, the quotas undertaken at the foundation shall be the standard, namely:

Hungarian General Credit Bank 45%

Hungarian Commercial Bank of Pest 32½%

Hungarian Discount and Exchange Bank 32½%

3. According to the agreement to be made with the Hungarian Royal Department of Commerce the founding institutions are responsible in union to the Hungarian Royal Department of Commerce: the founding institutions agreed, that among themselves, respectively towards each other they will have the responsibility in proportion of their quota.

To give notice to the Department of Finance that the to be made agreement will be ended, necessitates that two founding institutions shall decide by giving notice to quit.—Inasmuch however that founding institutions would desire to dissolution, the third however would desire the same, then the institution is obliged to offer to the other two institutions its share possible at par rates.—Inasmuch as the two other founding institutions would be willing to take over these shares, or would not make declaration within fifteen days, then the respective third institution will have the right to give notice to quit the contract to the Hungarian Royal Department of Finance: the two other institutions are obliged to accede to the dissolution of the contract.

This same decision is valid in relation of the liquidation of the bank, also, in this case however not the par rates, but the intrinsic value.

shares according to the balance made will appear as prize of offer for the realization of the desire for liquidation of the shares.

4. The deposit free of interest to be given by the Hungarian Royal *Department of Finance to the Hungarian General Credit Bank* will be divided for the time being among the founding institutions according to their proportion of quota. This deposit will not be handed over to the to be established American money institution for the time being as a deposit, but will be put to bear interest at 4½% for the benefit of the same up to further arrangements by the founding institutions.

Beyond the decided earnest money of 100% (which shall be used for the creation of a surplus for providing for foundation expenses amounting to K.250.000) trips to America, the sum payable to the Central Credit bank of Hungarian Money Institutions, etc., the part in proportion to each share shall be remitted out of the above sums. Inasmuch as these expenses for foundation should amount to more than K.250.000.—they shall be bearable by the new bank, inasmuch however that the expenses for foundation should not amount to the above sums, so the balance remaining shall be payable to the to be established bank for the purpose of defraying of expenses of foundation eventually arising or for the formation of a latent reserve.—

5. It is decided in relation of the board to be formed in America, that the same will be composed in part out of the representatives of American firm eventually participating in the foundation, and partly Hungarians living in America will be called upon to join the board.

For the time being out of the Hungarians living in America the following gentlemen will be requested to join the board:

Dr. Morris Czukor, Sam Konig, Dr. Arpad Gerster, physician, Consul General Alexander Nuber, Leo Friedrich and Gustav Love.

Each of the following institutions shall have the right to delegate into the Budapest Local Committee two members, The Central Credit Bank of the Hungarian Money Institutions together with the participating Rural Institutions two members (Messrs. Ladislav Voros of Farad, and Louis Zador have been nominated) and each of the Budapest sub participants one member each. Besides these:

Dr. Wm. Lers, Ministerial Counsellor

Dr. Alexander Halasy, a director of the Hungarian Postal Savings Bank,

Baron Dr. Frederich Koranyi, Ministerial Section Counselor,

Zoltan Jefelfalnssy, Emigration Government Commissioner,

Finally eventually Dr. Julius Kovacs, the director of the Hungarian Royal Commercial Museum will be requested to join the local committee.

The officials of the bank will be employed partly out of the officials of the founding institutions, partly though at the spot. In relation of the former the decision was arrived at, that each of the founding institutions will delegate one official: these official will be left to remain in the status of the founding institutions respectively in their pension fund.

As substitute director an American expert will be employed who thoroughly knows the New York market relations.

The main office of the founding money institution will be in the bank section of New York and for this purpose there is a prospect of renting at fair terms one of the localities at present standing empty of the Hungarian American Bank. In relation of these the general director of the Central Credit Bank was given oral option. It is planned furthermore to open a branch in that city part of New York where the Hungarians are especially densed in great numbers, around the 60 and 70 Streets. For the management of this branch Alexander Kremer is taken in view, who has had lengthy bank experience in American and whose employment the founding institutions have taken cognizance of approvingly. The compensations of Kremer have been decided at \$130.00 per month and besides this the expenses of traveling out on 2nd class will be recompensated to him, provided that he will remain in the service of the to be established bank for at least three years.

It is decided, that for the performance of the necessary secretarial work Mr. Emil Zerkowitz will be employed to the Budapest Local Committee with the compensation of six thousand Kromen per year: this sphere of work of Mr. Zerkowitz will be decided upon in detail later.

HUNGARIAN GENERAL CREDIT BANK,

Signed ULLMAN KORNFIELD

HUNGARIAN DISCOUNT AND EXCHANGE BANK,

signed Dr. BECK BAROSS.

HUNGARIAN COMMERCIAL BANK OF BUDAPEST.

Signed LANCZY FEHER

EXHIBIT 36.

COPY OF THE SUBSCRIPTION AGREEMENT WHICH WAS ONE OF THE CONTRACTS BY WHICH THE TRANSATLANTIC TRUST CO. (HEREIN NAMED THE "DANUBE TRUST COMPANY") WAS ORGANIZED.

Protocol of an agreement arrived at between the undersigned (hereinafter called the "American Stockholders") and the Hungarian General Credit and Hungarian Commercial Bank of Pest, Hungarian Discount & Exchange Bank of Budapest, Hungary, (hereinafter called the "Banks") at the City of New York on the 20th day of January, 1912.

The "Banks" having undertaken to organize a Trust Company under the laws of the State of New York, to be known as the "Danube Trust Company" or some similar name, with the object of doing a general trust company business, and incidentally and in order to further the interests of said Trust Company, to develop the commercial, industrial and financial interests between the United States of America and the Kingdom of Hungary, the parties to the protocol have agreed as follows:

First: A Trust Company shall be organized under the laws of the State of New York, to be known as the "Danube Trust Company" or some similar name.

Second: The capital stock of said Trust Company is to consist of seven thousand (7,000) shares of the par value of One hundred Dollars (\$100) each and the shares are to be issued at One hundred and fifty Dollars (\$150) each so that the Trust Company will have a capital of Seven hundred thousand Dollars (\$700,000) and a surplus of Three hundred and fifty thousand Dollars (\$350,000).

Said shares have been subscribed for by the "Banks" but for the purpose of securing to themselves and said Trust Company the benefit of the experience, influence and knowledge of American conditions of the "American Stockholders" and in order to place the management of the said Trust Company in the hands of a Board composed, primarily, of Americans, the "Banks" have decided to cede from their subscriptions the number of shares to which the "American Stockholders" have respectively subscribed.

Third: Each of the subscribers to this protocol is to be bound by the terms hereof as a matter of good faith and is to subscribe to the number of shares of the capital stock of said Trust Company so to be organized, set opposite his name.

Fourth: The principal office of the Trust Company is to be located in the City of New York, and it shall have such branches and such agencies and representatives as shall, from time to time, be decided upon and as shall be practicable and feasible within the provisions of the laws of the State of New York. In so far as this may be feasible and legal, the Trust Company is especially to maintain an agency or representative located in Budapest, Hungary, with a view to facilitating the commercial, industrial and financial relations between Hungary and the United States, with a view of procuring business for the Trust Company and furthering its interests.

Fifth: The methods and character of business to be done by the Trust Company are to be such as are permitted under the laws of the State of New York and are, as far as may be necessary, to be set forth in the Certificate of Incorporation and in the By-laws of such Trust Company.

Sixth: The signers of this protocol, in so far as they may become directors of said Trust Company, agree, if not legally at least as a matter of good faith among themselves that it is their intention that none of the following transactions shall be undertaken by such Trust Company without the consent of the "Banks," so long as they are the holders of the majority of the stock of said Trust Company:

I. The purchase of real estate at a price exceeding the sum of Two hundred and fifty thousand Dollars.

II. The undertaking of new and special branches of business.

III. The undertaking of any business transaction that will involve the definite and long term investment of a sum exceeding Two hundred and fifty thousand Dollars (\$250,000).

IV. The entering into of indefinite and long term contractual relations with other corporations or persons.

V. The granting of the power to sign the corporate name.

VI. The "Banks" obligate themselves morally, if not legally, at any meeting of the stockholders to support no proposition that has not been first sanctioned

a vote of two-thirds of the Board of Directors; on the other hand, the Banks reserve unto themselves the right at such stockholders meetings to vote against any proposition of the Directors, if, in their opinion, they deem it advisable not to do.

Seventh: It is understood that among the purposes which the signers of this protocol have in view and with the object of furthering the business of the said Trust Company, are the advancement and the protecting of the interests of Hungarians who now reside or may hereafter arrive in the United States of America or Canada. For this purpose, it is understood that the said Trust Company, in as far as this may legally be permissible, will, as promptly as possible, appoint throughout the United States of America and Canada, agents representatives or correspondents.

Eighth: In order to cover the expenses growing out of the purposes for which said Trust Company is to be organized and the expenses connected with the organization of the Trust Company, the "Banks" assume the obligation either to deposit with said Trust Company the sum of Four Million Kronen (K.4,000,000.) Hungarian money, (\$800,000.) or, from time to time, to deposit parts of said sum of Four Million Kronen (K.4,000,000.) (\$800,000.) and to permit said sum to remain on deposit with said Trust Company for a period of four (4) years from the date of the organization of said Trust Company, without interest or, at their option, during said period of four years or until such sum of Four Million Kronen (K. 4,000,000.) (\$800,000.) shall be deposited as aforesaid in whole or in part, to pay into the Treasury of said Trust Company interest on said sum of Four Million Kronen (K.4,000,000.) (\$800,000.) on such portion of said sum as shall not have been deposited as aforesaid, at the rate of four and one-half percent (4½) per annum. Such interest shall be paid to said Trust Company half-yearly, at the end of each six months.

Ninth: The "Banks" further obligate themselves, in so far as this may legally be done, to secure a contract to be entered into between said Trust Company and the Royal Hungarian Postal Savings Bank, pursuant to the terms of which the said Trust Company shall be appointed the general agent, for the United States of America and Canada, of the Royal Hungarian Postal Savings Bank for a period of ten (10) years from the date of the organization of said Trust Company.

The terms of such contract shall be such as may be mutually agreed upon between said Trust Company and the Royal Hungarian Postal Savings Bank: being understood that a preliminary arrangement has been made between the "Banks" and the Royal Hungarian Postal Savings Banks subject, however, to the approval of the Minister of Finance of the Kingdom of Hungary, pursuant to the terms of which the Royal Hungarian Postal Savings Bank agrees to deposit with the Trust Company, for a period of ten (10) years from the date of its organization, the sum of Four million Kronen (K. 4,000,000) Hungarian money (\$800,000) against interest of one-half per cent per annum.

Tenth: Each subscriber to this protocol shall have the privilege to transfer a part of his subscription to others. The subscribers to this protocol and those to whom they may transfer a portion of their respective subscriptions, however, obligate themselves, as a matter of good faith, during the period of four (4) years from the date of the organization of the Trust Company, not to sell or transfer their names without first having offered to sell the shares they respectively desire to sell or dispose of to the "Banks" at the price and terms that they are respectively willing to sell such shares to others. At the expiration of each Four (4) years the stock shall be released from the terms of this Article, unless the same shall be continued for a further period by the unanimous consent of all the holders of such stock.

Eleventh: The affairs of said Trust Company shall be managed by not less than fourteen (14) directors. The "Banks" agree that each of the "American stockholders" shall have the right to designate two persons, who shall be named in the Certificate of Incorporation of said Trust Company, as against its first directors. The "American Stockholders" agree in so far as they may legally do so, to vote for the election of an *active business manager or officers* of said Trust Company to be *designated by the "Banks"* and likewise *so to vote for Mr. Julius Plrnitzer as the first President* thereof.

Twelfth: Unless this protocol shall be signed by the "Banks" and a copy hereof delivered, so signed, to each of the undersigned the "American Stockholders", on or before the 30th day of March, 1912, then the terms of this protocol shall thereafter be null and void and of no further force and effect: and likewise, unless said Trust Company shall be organized on or before the first

day of June, 1912, the terms hereof shall thereafter be null and void and of no further force and effect.

Speyer & Co. 400 (say Four hundred) shares
 August Belmont & Co. 400 (say Four hundred) shares
 Hallgarten & Co. 400 (say Four hundred) shares
 H. Riegan Duval 100 (One hundred) shares
 United States Mortgage & Trust Company By Calvert Brewer. Vice Pres. 400 (say Four hundred) shares
 James G. Cannon Ten (10) shares
 Arpad G. Gerster Ten (10) shares
 Gustav Leve Ten (10) shares
 Morris Cukor Ten (10) shares
 Arnold Somlyo Ten (10) shares
 Walter G. Oakman One hundred (100) shares

EXHIBIT 87.

TRANSLATION OF A DOCUMENT IN THE HUNGARIAN LANGUAGE FOUND AMONG THE PAPERS OF JULIUS FIENITZER WHICH WAS ADMITTED BY HIM TO BE A SUBSTANTIALLY CORRECT COPY OF ONE OF THE PRINCIPAL CONTRACTS UNDER WHICH THE TRANSATLANTIC TRUST COMPANY WAS ORGANIZED—NAMELY A CONTRACT BETWEEN THE THREE "FOUNDER BANKS" AND THE ROYAL HUNGARIAN POSTAL SAVINGS BANK.

AGREEMENT.

Concluded subject to the approval of the Royal Hungarian Ministers of Commerce, of the Interior, and of Finance, on the one hand between the Royal Hungarian Postal Savings Bank on the other hand between the founders of the Hungarian Financial Institution to be established in the territory of the United States of North America, the Hungarian General Credit Bank, the Hungarian Commercial Bank of Post, and the Hungarian Discount and Exchange Bank. Financial Institutions in Budapest in reference to the entrusting of the representation of the Royal Hungarian Postal Savings Bank to the Financial Institution to be established.

1 § The Royal Hungarian Postal Savings Bank entrusts her exclusive representation in the territory of the United States of North America and Canada to the Financial Institution to be established in case same comes into existence for 10, i. e. ten years figured from the date of founding. The Financial Institution to be founded will be entitled to use side by side with her own incorporated firm the following expression, "exclusive representation of the Royal Hungarian Postal Savings Bank in the territory of the United States of North America, respectively Canada," and to also transfer the use of this expression to her branches, agents and representatives.

The Royal Hungarian Postal Savings Bank is entitled upon instruction of the Royal Hungarian Government to give one sided notice for the discontinuance of the Finance Agreement concluded with the Financial Institution to be established even within the above mentioned period of ten (10) years.

Such notice will immediately become effective.

2 § The Royal Hungarian Postal Savings Bank will support the Institution to be established against the unfair competition of other American firms, private persons who are occupied in the mediation of money remittances of Emigrants, and will upon well founded request of the Financial Institution to be established—in case of necessity—exclude from her check and clearing business the firms carrying on such competition.

3 § In order to insure the ability of the Institution to be established to compete with American firms who are occupied in the mediation of money remittances of Emigrants, the owners of such check accounts in the Hungarian Postal Savings Bank will be entitled to transfer the same to the Institution to be established.

4 § The founding Financial Institution to be established will be entitled to send home through the check of the Hungarian Postal Savings Bank—if the sender so desires—the money of remitting the money. The R

entitled to desire that such payments be made by cablegrams or cash letters be also effected through her mediation.

5 § The founding Financial Institutions bind themselves that the Financial Institution to be established will pay to the Royal Hungarian Postal Savings Bank for the effecting of the payments mentioned in 4 §—besides refunding the actual postage and other expenses—up to the close of the first complete business year $\frac{1}{2}\%$ (per mill) supplementary fee in addition to the fees valid in the Domestic Postal Savings Bank check business. After the close of the first complete business year the commission due to the Postal Savings Bank will have to be agreed upon, taking into consideration the actual results of this branch of business of the Financial Institution to be established, such agreement will constitute the supplementary part of the contract concluded with the Financial Institution to be established.

The check account (or check accounts) opened for the purpose of this business for the Financial Institution to be established will not be debited by the Royal Hungarian Postal Savings Bank with new fees besides the fees respectively, commissions, discussed in the previous paragraph.

6 § The Royal Hungarian Postal Savings Bank cannot accept orders for remittances, respectively payments directly from the branches, agents and representatives of the Financial Institution to be founded.

7 § The Financial Institution to be established will effect her remittances through lists addressed to the Royal Hungarian Postal Savings Bank or through checks drawn on the Royal Hungarian Postal Savings Bank.

The Financial Institution to be established is entitled to sell these checks, at the same time advising the Royal Hungarian Postal Savings Bank, to her branches, agents and representatives, made out on blanks to be determined in agreement with the Royal Hungarian Postal Savings Bank and to be produced by the Royal Hungarian State Press, for round amounts, but not more than Kronen 1000 (1000) each. Such checks however may not form the object of further sale or purchase among the branches, agents and representatives.

For the honoring of such checks the Financial Institution to be founded will pay to the Royal Hungarian Postal Savings Bank up to the close of the first complete year of business the same fees and supplementary fees which are to be paid according to 5 § for the effecting of the payments. A new and separate agreement will be concluded in the manner mentioned in 5 § in regard to the commission payable after the close of the first complete year of business.

The Royal Hungarian Postal Savings Bank and the Financial Institution to be established will work out in agreement regulations referred to the handling, guarding, and sale of these check.

8 § The Royal Hungarian Postal Savings Bank effects the orders received by means of lists only if they are at the same time covered.

The Royal Hungarian Postal Savings Bank pays the checks purchased by the Emigrants and payable to some definite address, in case same will be provided with a known signature of the Financial Institution to be established and in case the data of the checks correspond to the data communicated by the Financial Institution to be established, if the founded Institution place at the disposal of the Royal Hungarian Postal Savings Bank within 3 days, upon her request the adequate covering amount. Such request will have to be addressed to the Budapest representation of the Financial Institution to be established.

9 § The responsibility in regard to the checks discussed in the 7 and 8 § is determined in such a manner that the Royal Hungarian Postal Savings Bank vouches for all abuses committed with these checks at her place respectively by her employees, whereas the Financial Institution to be founded vouches for all such abuses which are committed at her place, respectively by her employees, branches, agents or representatives.

The Financial Institution to be established assumes responsibility for such amounts which were paid in by the Emigrants against receipts properly made out and signed by persons entitled to receive the money in accordance with the regulations to be determined with the agreement of the Royal Hungarian Postal Savings Bank, in case that it can be established that the paying in has actually taken place.

10 § The Financial Institution to be established is obliged to hang up in her own business offices, as well as in those of her branches, agencies and representatives in the various languages current among the Emigrants living there the following,

(a) specimens of the check blanks mentioned in 7 §.

(b) specimens of the receipt mentioned in the second paragraph of 9 § 1: the signature (signatures) of the person (persons) entitled to receive the money.

(c) the rate of exchange.

(d) all the expenses and commissions which may be charged under the title by the Financial Institution to be established, or by a particular branch, agency or representative.

11 § The founding Financial Institutions bind themselves that the Financial Institution to be established will within the limits permitted by the American Laws, regulations and local conditions collect savings deposits for the Royal Hungarian Postal Savings Bank and that she will attend to the service of mediation in connection with this free of charge.

In case such savings deposits are effected by means of the checks mentioned in the 7 §, such checks are free of the commission mentioned in third paragraph of 7 §.

Within the limits of the law—decisions referring to it, the Royal Hungarian Postal Savings Bank will keep the savings deposits collected by the mediation of the Financial Institution to be established invested on her account current with the founding banks subject to the contract conditions now valid up to the time when same will be used in part or in whole for the purchase of securities.

12 § The founding Financial Institutions bind themselves that the Financial Institution to be established will effect the payment orders of the Royal Hungarian Postal Savings Bank in the territory of the United States of America and of Canada against $\frac{1}{2}$ % (per mill) commission and against reimbursement of her actual expenses which arose in connection with postage, telegraphic expenses, or insurance of value. The detailed conditions will be determined in the final contract.

13 § The Royal Hungarian Postal Savings Bank will on the day upon connection will start deposit with the Financial Institution to be established a current account to be kept in Kronen—or if desired in part in dollars—4,000,000 i. e. four million Kronen for the purpose of the payment business for the duration of the contract which amount is to be raised to 5,000,000 i. e. five million Kronen in case the total and yearly turn over of the Financial Institution to be founded with the Royal Hungarian Postal Savings Bank exceeds 40,000,000 i. e. forty million Kronen.

For her credit balance and current account mentioned in the first paragraph the Royal Hungarian Postal Savings Bank receives interest, the amount of which is fixed from case to case by mutual agreement between the Royal Hungarian Postal Savings Bank and the Financial Institution to be established.

This rate of interest is fixed until further arrangement as $\frac{1}{2}$ % per annum.

For the credit balance of the Royal Hungarian Postal Savings Bank on the current account the founding Institutions vouch collectively.

14 § The specimen and text of all printed matters, circulars and signs to be used in connection with the present (business) relation is to be determined by agreement between the Royal Hungarian Postal Savings Bank and the Financial Institution to be established. The Royal Hungarian Postal Savings Bank has prepared at her own expense the printed matters and circulars to be used in the territory of the lands of the Hungarian Crown and those check blanks which will be brought into circulation in the territory of the United States, North America and Canada. All other printed matters, circulars and signs are to be prepared by the Financial Institution to be established at her expense.

15 § In order to facilitate the organizing and business work of the Financial Institution to be founded, the founding Institutions bind themselves that, if desired, by commission of the founding Institutions, a person, given from case to case, to be named, for a fixed time one or several persons will continue to belong to the Financial Institution and will continue to receive the expenses of the Royal Hungarian Postal Savings Bank connected with his trip and his stay in the territory of the Financial Institutions or by the founding Institutions.

16 § The founding Financial Institutions bind themselves that the Financial Institution to be established will, in the territory of the Royal Hungarian Postal Savings Bank, have her business relating to the

that she will give insight into all her relative business books, and documents of the employee (employees) of the Royal Hungarian Postal Savings Bank sent out.

EXHIBIT 38.

TRANSLATION OF THE COPY OF A LETTER FROM PIENITZER TO THE "FOUNDER BANKS" FOUND AMONG PIENITZER'S PAPERS.

[Translated on July 20, 1918.]

BUDAPEST, November 4, 1911.

HUNGARIAN GENERAL BANK,
COMMERCIAL BANK OF PEST,
THE DISCOUNT AND EXCHANGE BANK,
Budapest.

Regarding the agreement made today between you and myself in relation of my employment with the Hungarian money institution to be established by you in America. I take cognizance, that you, as the chief stockholders of the to be established bank, plan to appoint a Local Committee in Budapest, which will constantly control the matters of the bank and will reserve to itself the right of veto versus. "The Board of Directors" in the following questions:

- 1/. The Purchase of real estate.
- 2/. At the taking up of new business branches.
- 3/. At the permanent investment for a length of time of amounts exceeding \$250,000.
- 4/. At the fixing of its dividends.
- 5/. At the making of contracts meaning to create permanent relations with third firms and persons, not meaning appointments respectively service contracts and other agreements connected with the transaction of business, (for instance agents, furthermore current accounts, normal credit matters, etc.)
- 6/. At the appointment and removal of manager.

At taking cognizance of these stipulations, I state on my own behalf bindingly, that I shall constantly inform the to be elected Budapest committee of the happening occurrences at the to be established bank and that I will subordinate myself in every respect for the full period of my contract to the wishes of this local committee indicated to me in writing—naturally presuming that the same will agree with the by laws of the company and the relative American laws.

Inasmuch as I should break this obligation of mine, than these above mentioned agreement made between us today shall lose its efficacy and you shall have right to remove me from my position at the to be created bank without time of notice respectively have me dismissed by the New York Board of Directors and for the case that this circumstance should come to pass I declare by this time, that I relinquish all my claims for final settlement and damages of all kinds. But should I come in contrast with the American Board of Directors as the outcome of my obligation undertaken in this letter and especially if I would be removed for this reason from my position, then you are under obligation to indemnify me for my losses ensuing out of this.

(The following submitted by Mr. Clyde P. Steen, at page 2856, was ordered inserted in the record:)

Complete list of foreign language newspapers in United States.

[Compiled by Clyde P. Steen, president National Association of City Editors.]

Albanian:

Massachusetts—

Dielli (Daily), Boston.
Yll'i Mengjezit (mo.), Non-pol., Boston.
Sazani (s-mo.), Natick.

New York—

Koha (s-mo.), Dem., Jamestown.
Albania, Albanian, New York.
Perparimi (mo.), Lit. & Comm'l, New York.

Arabic:

Massachusetts—

Fatat Boston, Ind., Boston.

Al-Insanyeh, Non-part., Fall River.

New York—

Al-Bayan (3 tl. a week), Ind., New York.

Al-Fatat, Syrian Int'sts, New York.

Al-Funoon (mo.), Lit., New York.

Al-Hoda (daily), Id., New York.

Ash-Shaab (daily), Ind., New York.

As-Sayeh (s-wkly), Gen. News, New York.

Eagle (daily), American Syrian Int'sts, New York.

Meraat-ul-Gharb (daily), Ind., New York.

Armenian:

California—

Asbarez, Non-part., Fresno.

Nor Giank, Dem., Fresno.

Siswan, Fresno.

Illinois—

Eritassard Hayastan (semi-weekly), Socialist, Chicago.

Massachusetts—

Azk (daily), Rep., Boston.

Bahag (s-weekly), Rep., Boston.

Hairenik (daily), Socl'st, Boston.

New York—

Gotchnag, Non-part., New York.

Belgian-Flemish:

Illinois—

Gazette Van Moline, Ind., Moline.

Michigan—

Detroit enaar, Belgian Affairs, Detroit.

Gazette Van Detroit, Ind., Detroit.

Bohemian:

Illinois—

Amerikan (s-weekly), Agric., Chicago.

Denni Hiasatel (ev. day.), Ind., Chicago.

Duch Casu., Lit., Chicago.

Hiasatel (s-weekly), Ind., Chicago.

Hospodarske Listy (semi-Monthly), Agric., Chicago.

Katolik (s-wkly), Cath. & Ind., Chicago.

Narod (ev. day), Cath. & Ind., Chicago.

Pritel Ditek, Relig. & Juv., Chicago.

Slavie (s-wkly), Ind. Dem., Chicago.

Sokol Americky (monthly), Athletic & News, Chicago.

Sotek, Humor, Chicago.

Spravedlnost (ev. day), Labor, Chicago.

Svojan (mo.), Free Thought, Chicago.

Svornost (ev. day), Ind., Chicago.

Vesmir, Free Thought, Chicago.

Zajmy Lidu (s-wkly), Labor, Chicago.

Zenske Listy, Fam., Chicago.

Organ Bratrstva (Bohemian-Slavonic) (monthly), C. S. P. S., Oak Park.

Organ Cesko-Slovanske Jednoty (mo.), Boehm. Slav. Union, Oak Park.

Svobodna Skola (monthly), Free Thought & Educ., Oak Park.

Iowa—

Listy, Ind., Cedar Rapids.

Sloan Americky (s-wkly), Dem., Cedar Rapids.

Maryland—

Telegraf, Ind., Baltimore.

Missouri—

Ceska Zena (s-mo.), Cath. Women, St. Louis.

Hlas (s-wkly), Cath., St. Louis.

Listy, Ind., St. Louis.

Nebraska—

Domaci Noviny, Ind., Clarkson.

Osvena Zapadu, Ind., Clarkson.

hemian—Continued.

Nebraska—Continued.

Zivot (s-mo.), Prot., Crete.
 Drubeznicke Noviny (monthly), Poult., Omaha.
 Hospodar (fortn'tly), Agric., Omaha.
 Komensky (mo.), Educ., Omaha.
 Kvetý Americké (fortn'tly), Lit. & Fam., Omaha.
 Nova Doba (s-weekly), Ind., Omaha.
 Pokrok (daily), Omaha.
 Pokrok (Sunday), Omaha.
 Pokrok Zapadu, Rep., Omaha.

New York—

Hlas Lidu (daily), Labor, New York.
 Listy (daily), Ind., New York.
 Nedelni Hlas Lidu, Labor, New York.
 Nedelni Listy, Ind., New York.
 Nonna (mo.), Lit., New York.
 Obrana, Soc'lst., New York.
 Vek Rozumu (mo.), Free Tht., New York.
 Volne Listy (Mo.), Soc'lst., New York.

Ohio—

American (ev. day.), Ind., Cleveland.
 Americke Delnicke Listy, Soc'lst., Cleveland.
 Svet (daily), Ind., Cleveland.

Pennsylvania—

Krestanske Listy, Presb., Pittsburgh.

Texas—

Vestnik, Frat., Fayetteville.
 Novy Domov (s-wkly), Cath. & Dem., Hallettsville.
 Texan, Dem., Houston.
 Texasky Rolnik (mo.), Agric., Houston.
 Svodoba, Dem., La Grange.
 Noviny, Sealy.
 Nasinec (s-weekly), Dem., Taylor.
 Noviny, Dem., West.

Wisconsin—

Vlastenec, Cath. & Ind., La Crosse.
 Domacnost, Fam., Milwaukee.
 Rovnost, Ind., Milwaukee.

Bulgarian:

Illinois—

Naroden Glas (daily), Ind., Granite City.

Chinese:

California—

Chinese Republic Journal (daily), San Francisco.
 Chinese World (daily), Com'l., San Francisco.
 Chung Sai Yat Po (daily), Ind., San Francisco.
 Young China (daily), Dem., San Francisco.

New York—

Chinese Reform News (s-wkly), Dem., New York.
 Chinese Republic News, New York.

Croatian:

California—

Dalnnacijska, Los Angeles.
 Jadran, Ind., San Francisco.

Illinois—

Balkan World (Croatian-Serbian), Ind., Chicago.
 United Serbian (Serbian-Croatian), Ind., Chicago.

Michigan—

Hrvatska, Ind. Rep. & Cath., Calumet.

Minnesota—

Radnicka Obrana, Non.-part., Duluth.

New York—

Jugostavenski Svijet (daily), Slav. Interest, New York.
 Narodni List (ev. day), Ind., New York.
 Osa (fortn'tly), Humor, New York.

Pennsylvania—

Hrvatski Glasnik, Ind., Pittsburgh.

Esperanto, etc.:

Massachusetts—

Amerika Esperantisto (mo.), Esperanto, West Newton.

Ohio—

World-Speech (mo.), Ro., Marietta.

Finnish:

Illinois—

Finska Missions Pos
(Swed.-Fin. (mo.), 1

Massachusetts—

Pohjan Tahti (North)
Rälväaja (daily), So
Sakenia (monthly).

Michigan—

Valvoja (s-wkly), Re
Amerikan Suometar
Aura (mo.), Agric., 1
Palmen-Sanomia, Re
Auttaja, Relig. & Re

Minnesota—

Industrialisti (daily)
Päivälehti (daily), 1
Siirtolainen (s-wkly)
Unsi Kotimaa, Rep.,

New York—

Finska Amerikanare
New Yorkin Uutiset

Oregon—

Sanomat (s-weekly),
Toveri (daily), Socia
Toveritar, Family, A

Wisconsin—

Lapatoosu (s.-mo.), S
Pelto ja Koti (mo.), .
Työmies (daily), Soc

French:

California—

Union Nouvelle (Frer
Echo del Ouest (daily)
Echo del Ouest, Prog.
Franco Californien (c

District of Columbia—

Bulletin de l'Union Pa

Illinois—

Courrier-Franco-Amer

Louisiana—

Interim (Eng. & Fr.)
Meschacebe (Eng. & I
Abelle (daily), Dem.,
Abelle, Dem., New O
Guepe, Ind., New Orle
Observateur, Ind., Res

Maine—

Justice de Biddeford,
Messenger (3 tl. a weel
Petit Journal, Ind., La

Massachusetts—

Independant (daily),
Independant, Rep., Fa
Citoyen, Ind., Haverh
Justice, Ind., Holyoke.
Courrier, Ind., Lawrer
Clairon, Ind., Lowell.
Etoile (daily), Rep., I
Lynnols, Ind. & Cath.,
Independant (daily),
Courrier, Ind., Salem.
Opinion Publique (dal

ench—Continued.

Michigan—

Courrier du Michigan (monthly), Ind., Lake Linden.

Minnesota—

Echo de L'Ouest, Ind., Minneapolis.

New Hampshire—

Avenir National (daily), Ind., Manchester.

Canado-American (mo.) (free to members), Ind. & Frat., Manchester.

Impartial (3 tl. a week), Ind., Nashua.

Progres, Le, Ind., Nashua.

New York—

American Furrier (Eng. French, Ger. & Russian) (monthly), Fashion, New York.

Amerique (mo.), Export, New York.

Courrier des Etats-Unis (daily), Ind., New York.

Courrier des Etats-Unis (Sunday), Ind., New York.

Courrier des Etats-Unis, Ind., New York.

Exporatateur American—see American Exporter, New York.

Rhode Island—

Jean-Baptiste (s-wkly), Rep., Pawtucket.

Tribune (daily), Rep., Woonsocket.

Union (mo.), Cath. Frat., Woonsocket.

rman:

Arkansas—

Arkansas Echo, Dem., Little Rock.

California—

California Post, Ind., Fresno.

Dutche Presse, Los Angeles.

Journal und California Zeitung, Ind., Oakland.

Nord-California Herold & Sacramento Journal, Ind., Sacramento.

Sud-California Deutsche Zeitung, Ind., San Diego.

Colorado—

Colorado Herold, Ind., Denver.

Connecticut—

Connecticut Staats-Zeitung (s-wkly), Ind., Hartford.

Hermanns-Sohn (s-mo.), S. of H., New Haven.

Illinois—

Cook County Herald (Eng. & Ger.), Ind. Rep., Arlington Heights.

Volksfreund (daily), Ind. Rep., Aurora.

Post und Zeitung, Rep., Belleville.

Abendpost (daily), Ind., Chicago.

Arbeiter-Zeitung (daily), Socialist, Chicago.

Bakers Journal and Deutsche-Amerikanische Backer Zeitung (Eng. and Ger.), Labor, Chicago.

Concordia (Eng. & Ger.) (mo.), Luth, Chicago.

Echo, Post und Beobachter, Ind., Chicago.

Fackel, Socialist, Chicago.

Illinois Staats-Zeitung (ev. day), cir. includes that of Presse, Ind. Rep., Chicago.

Katholisches Wochenblatt, Cath., Chicago.

Kirchenbote, Cong., Chicago.

Luxemburger Vereinszeitung, Ind., Chicago.

Presse (daily) for cir. see Illinois Staats-Zeitung, Ind. Rep., Chicago.

Sonntagpost, Ind., Chicago.

Vorbote, Socialist, Chicago.

Wahrheitsfreund, Menonite, Chicago.

Weser-Nachrichten (fortnightly), Ind., Chicago.

Wochenblatt, Ind., Chicago.

Herold und Zeitung, Neut., Danville.

Herold, Rep., Elgin.

Katholischer Jugendfreund (Eng. & Ger.) (monthly), Cath., Evanston.

General-Anzeiger, Ind., Joliet.

Post, Ind., Mendota.

Teutonia, Ind., Mount Olive.

Illinois Volksblatt, Rep., Nashville.

Post, Dem., Nashville.

German—Continued.**Illinois—Continued.**

Nachrichten aus Schleswig-Holstein (fortnightly), Fam., Oak Park
 Central Illinois Wochenblatt, Ind. Rep., Ottawa.
 La Salle County Herold, Rep., Ottawa.
 Sonne (daily), Rep., Peoria.
 Sonne, Rep., Peoria.
 Sonntags-Glocke, Rep., Peoria.
 Germania (daily), Ind. Dem., Quincy.
 Germania, Ind. Dem., Quincy.
 Staats-Wochenblatt, Dem., Springfield.
 Amerikanisches Familienblatt (mo.), Cath., Techny.

Iowa—

Ostfriessische Nachrichten (3 ti. a month), Non-pol., Breda.
 Volksfreund-Tribune, Ind., Burlington.
 Demokrat, Dem., Carroll.
 Journal, Ind., Cedar Rapids.
 Familien-Freund, Ind., Charles City.
 Iowa Volkszeitung, Dem., Clinton.
 Journal (3 ti. a wk.), Ind., Clinton.
 Freie Presse, Ind., Council Bluffs.
 Iowa Reform, Ind., Davenport.
 Herold, Dem., Denison.
 National-Demokrat, Dem., Dubuque.
 Presbyterianer, Presb., Dubuque.
 Herold, Ind. Dem., Manning.
 Jackson-Journal, Ind., Maquoketa.
 Herold, Ind. Dem., Muscatine.
 Courier, Ind. Dem., Sioux City.
 Volksfreund, Ind., Sioux City.
 Kirchen-Blatt (semi-mo.), Luth., Waverly.
 Phoenix, Dem., Waverly.

Kansas—

Vorwärts, Ind., Hillsboro.
 Zionsbote, Mennonite, Hillsboro.
 Cooper's International Journal (Eng. & Ger.) (monthly), Labor. K.
 sas City.
 Bethel College Monthly (Eng. & Ger.) (mo.), Coll., Newton.
 Herold, Ind., Newton.
 Herold, Ind., Wichita.

Kentucky—

Anzeiger (daily), Dem., Louisville.
 Anzeiger (Sunday), Dem., Louisville.
 Anzeiger—(see note in catalogue), Dem., Louisville.
 Katholischer Glaubensbote, Cath., Louisville.

Louisiana—

Southern Lutheran (Eng. & Ger.) (mo.), Luth., New Orleans.

Maryland—

Bayerisches Wochenblatt, Ind., Baltimore.

Massachusetts—

Germania, Ind., Boston.
 Herold der Christian Science (mo.), Chr. Sci., Boston.
 Turn-Zeitung (s-mo.), Ind., Boston.
 Biene, Labor, Holyoke.
 Neu England Rundschau, Ind., Holyoke.
 Anzeiger und Post, Ind., Lawrence.

Michigan—

Abend post (every day), Ind., Detroit.
 Herold, Labor, Detroit.
 Stimme der Wahrheit, Cath. & Dem., Detroit.
 Michigan Volksfreund, Dem., Jackson.
 Michigan Volkszeitung, Dem., Manistee.
 Journal, Ind., Saginaw.

Minnesota—

Freie Presse-Herold, Dem., Minneapolis.
 Unser Besucher, Rep., Mountain Lake.
 Amerikanische Turnzeitung, Turnerbund, New Ulm.

man—Continued.

Minnesota—Continued.

Freidenker, Radical, New Ulm.
 Post, Ind. Dem., New Ulm.
 Volksblatt, Rep., New Ulm.
 Nordstern, Dem., St. Cloud.
 Deutsche Farmer (s-mo.), Agric., St. Paul.
 Volkszeitung (daily), Ind., St. Paul.
 Volkszeitung, Ind., St. Paul.
 Wanderer, Cath., St. Paul.
 Hermannus-Sohn (mo.), S. of H., Stillwater.
 National Farmer (s-mo.), Agric., Winona.
 Westlicher Herold, Ind., Winona.

Missouri—

Volksblatt, Rep., Hermann.
 Cape County Post., Rep., Jackson.
 Missouri Volksfreund, Ind. Dem., Jefferson City.
 Presse, Ind., Kansas City.
 Herald (Eng. & Ger.), Ind., St. Genevieve.
 Volksblatt, Ind., St. Joseph.
 Abendschule (fortn'ly), Lit., St. Louis.
 Alma Mater (Eng. & Ger.) (mo.), Coll., St. Louis.
 Amerika (daily), Dem., St. Louis.
 Amerika (Sunday), Dem., St. Louis.
 Amerika (s-wkly), Dem., St. Louis.
 Arbeiter Zeitung, Soc'lst., St. Louis.
 Bote der Neuen Kirche (mo.), N. Jerusalem, St. Louis.
 Central Blatt and Social Justice, Social Topics, St. Louis.
 (Ger. & Eng.) (mo.), Cath., St. Louis.
 Friedensbote, Evan., St. Louis.
 Herold des Blaubens, Cath., St. Louis.
 Keryx. (Eng. & Ger.) (bi-mo.), Coll., St. Louis.
 Mississippi Blätter, Rep., St. Louis.
 Pastoral-Blatt (mo.), Rom. Cath., St. Louis.
 Westliche Post (daily), Rep., St. Louis.
 Wort (mo.), New Tht., St. Louis.
 Central Wesleyan Star, (Eng. & Ger.) (mo.), Coll., Warrenton.

Montana—

Hermanns-Sohn in Montana (mo.), S. of H., Helena.

Nebraska—

Cedar County Wachter, Ind., Hartington.
 Deutsch Amerikanischer Farmer, Agric., Lincoln.
 Freie Presse, Non-part., Lincoln.
 Welt Post, Ind., Lincoln.
 Westliche Rundschau, Dem., Norfolk.
 Tribune (daily), Ind., Omaha.
 Tribune, Ind., Omaha.

New Jersey—

Hausdokter (mo.), Hygienic, Butler.
 Freie Presse, Ind., Carlstadt.
 Camden County Journal, Ind., Camden.
 New Jersey Freie Zeitung (daily), Ind. Rep., Newark.
 New Jersey Freie Zeitung, Ind. Rep., Newark.
 Deutscher Evangelist (s-mo.), Presb., Orange.
 Passaic Revue and Paterson Journal, Ind., Passaic.
 Wochenblatt, Non-part., Passaic.
 New Jersey Staats Journal, Rep., Trenton.

New York—

Herold und Freie Blätter, Rep., Albany.
 Reform (Eng. & Ger.), Ind., Brooklyn.
 Technologist (Ger. & Eng.) (mo.), Scien. & Mech., Brooklyn.
 Aurora und Christliche Woche, Cath., Buffalo.
 Volksfreund (daily), Ind. Dem., Buffalo.
 Volksfreund, Ind. Dem., Buffalo.
 Wochenblatt (s-wkly), Ind., Lockport.
 Abendblatt—for clr. see Staats-Zeitung (daily), Ind., New York.

German—Continued.

New York—Continued.

- American Furrier (Eng., French, Ger. & Russian) (monthly), Ind., New York.
 Amerikanischer Botschafter und Deutscher Volksfreund (mo.), Ind., New York.
 Amerikansche Schweizer-Zeitung (Ger-Swiss), Ind., New York.
 Deutsch Amerika, Ind., New York.
 Deutsch-Amerikanische Apotheker Zeitung (mo.), Pharm., New York.
 Führer, F. & A. M. & I. O. O. F., New York.
 Herold (morn.), Ind., New York.
 Herold (evg.), Ind., New York.
 National Banner (s-mo.), Rep., New York.
 Schwäbisches Wochenblatt, Non-part., New York.
 Sonntags Blatt (Staats-Zeitung), Fam., New York.
 Staats-Zeitung (daily)—circ. includes that of Abendblatt, Ind., New York.
 Staats-Zeitung, Ind., New York.
 Abendpost (daily), Ind., Rochester.
 Abendpost (s-wkly), Ind., Rochester.
 Herold-Journal, Schenectady.
 Staten Island Post und Süd N. Y. Anzeiger, Dem., Staten Island.
 Union, Rep., Syracuse.
 Freie Presse, Rep., Troy.
 Deutsche Zeitung, Ind., Utica.

North Dakota—

- Tribune—see note in catalogue, Rep., Ashley.
 Staats-Anzeiger (s-wkly), Dem., Bismarck.
 Nord Dakota Herold, Cath., Dickinson.
 Nordlicht, Ind., Harvey.
 Herald (Ger. & Eng.), Ind., Hebron.
 Volksfreund, Cath., Richardton.

Ohio—

- Germania (daily), Ind., Akron.
 Mercer County Bote, Dem., Celina.
 Abend-Presse (daily), Ind., Cincinnati.
 Christliche Apologete and Hause und Herd., Meth., Cincinnati.
 Freie Presse (daily), Rep., Cincinnati.
 Freie Presse (Sonntags Blatt) (Sunday), Ind., Cincinnati.
 Sendbote (mo.), Cath., Cincinnati.
 Volksblatt (every day), Ind. Rep., Cincinnati.
 Volksblatt, Ind. Rep., Cincinnati.
 Westliche Blätter, Ind. Rep., Cincinnati.
 Christliche Botschafter, Evan., Cleveland.
 Deutsch Amerikanische Krieger Zeitung (fortnightly), Frat., Cleveland.
 Echo, Soc'ist, Cleveland.
 Evangelical S. S. Quarterly (quarterly), Evan. S. S., Cleveland.
 Evangelische Magazin (monthly), Evan., Cleveland.
 Evangelischer Missionsbote (mo.), Evan., Cleveland.
 Kirchenzeitung, Ref. Ch., Cleveland.
 Missionary Messenger (German edition) (monthly), Evan., Cleveland.
 Sendbote, Bapt., Cleveland.
 Siebenbuergisch Amerikanische Volksblatt, Non-part., Cleveland.
 Stimme der Wahrheit, Cath. & Dem., Cleveland.
 Wächter und Anzeiger (ev. day), Ind. Dem., Cleveland.
 Express, Rep., Columbus.

erman—Continued.

Ohio—Continued.

Putnam Co. Demokrat, Dem., Ottawa.
Miami Post, Dem., Plqua.
Demokrat (s-wkly). Dem., Sandusky.
Demokrat, Dem., Sandusky.
Express, Rep., Toledo.
Presse, Rep., Toledo.
Selbenburgisch Amerikanischer Bote, Rep., Youngstown.

Oklahoma—

Oklahoma Vorwärts, Ind., Bessie.
Oklahoma Staats-Zeitung, Ind., Enid.
Oklahoma Neuigkeiten, Ind: Dem., Perry.

Oregon—

Nachrichten, Ind., Portland.
Armen Seelen Freund (monthly), Cath., St. Benedict.

Pennsylvania—

Deutscher Volksführer, Ind., Altoona.
National Zeitung, Rep., Erie.
Tageblatt (daily), Rep., Erie.
Freie Presse, Ind., Johnstown.
Journal, Ind., Kutztown.
Chronicle and Brewery town Herald (Eng. & Ger.), Local, Philadelphia.
Deutsche Lutheraner, Evan. Luth., Philadelphia.
Gazette Democrat (daily), Rep., Philadelphia.
Nord Amerika, Cath., Philadelphia.
Sonntagsblatt, Ind., Philadelphia.
Tageblatt (daily), Ind., Philadelphia.
Vereins und Logen Zeitung, Soc'ties, Philadelphia.
Beobachter, Cath., Pittsburgh.
Kirchenzeitung (s-mo.), Evan., Pittsburgh.
Sonntagsbote, Neut., Pittsburgh.
Volksblatt und Freiheits Freund (every day), Rep., Pittsburgh.
Jefferson Demokrat, Dem., Pottsville.
Sonntagsgast (mo.), Fam., Reading.
Mennonitische Rundschau. Non-pol., Scottdale.
Journal, Rep., Scranton.
Wächter, Ind., Wilkes-Barre.

South Dakota—

Dakota Freie Presse, Ind., Aberdeen.
Dakota Volkszeitung, Rep., Aberdeen.
Rundschau, Ind., Eureka.
Deutscher Herold, Ind., Sioux Falls.

Texas—

Wochenblatt, Dem., Austin.
Texas Volksbote, Ind., Brenham.
Deutsche Rundschau. Ind., Cuero.
Nord Texas Presse, Ind. Dem., Dallas.
Anzeiger, Ind., Fort Worth.
Wochenblatt, Ind., Fredericksburg.
Deutsches Volksblatt, Ind., Giddings.
Lavaca Co. Nachrichten. Ind., Hallettsville.
Deutsche Zeitung, Dem., La Grange.
Zeitung, Dem., New Braunfels.
Freie Presse fur Texas (daily), Ind., San Antonio.
Freie Presse fur Texas, Ind., San Antonio.
Hermanns-Sohn in Texas (mo.). S. of H., San Antonio.
Zeitung, Ind., Seguin.
Herold, Dem., Taylor.
Post, Ind. Dem., Waco.

Utah—

Beobachter, Ind., Salt Lake City.

Virginia—

Anzeiger (daily), Dem., Richmond.

Washington—

Cherusker (mo.), S. of H., Seattle.
Washington Post, Ind., Spokane.
Wacht am Sunde, Ind., Tacoma.

German—Continued.**Wisconsin—**

Herold, Dem., Antigo.
 Montags-Blatt, News & Lit., Appleton.
 Samstags-Bote, Ind., Appleton.
 Volksfreund, Ind., Appleton.
 Wecker, Dem., Appleton.
 Herold, Dem., Eau Claire.
 Nordwestlicher Courier, Dem., Fond du Lac.
 Buffalo County Republikaner, Dem., Fountain City.
 Landsmann, Ind., Green Bay.
 Geflugel-Zuchter (mo.), Poult., Hamburg.
 Jefferson County Journal, Dem., Jefferson.
 Volksfreund, Ind., Kenosha.
 Kewaunee County Banner, Ind. Rep., Kawaunee.
 Morgenstern, Ind., La Crosse.
 Nordstern, Ind., La Crosse.
 Volks Post, Ind. Rep., La Crosse.
 Wisconsin Botschafter, Dem., Madison.
 Post, Rep., Manitowoc.
 Wahrheit, Ind., Manitowoc.
 Demokrat, Dem., Marshfield.
 Dodge County Pionier, Ind., Mayville.
 Waldbote, Ind. Dem., Medford.
 Columbia, Cath., Milwaukee.
 Deutsche-Hausfrau (mo.), Fam., Milwaukee.
 Excelsior, Cath., Milwaukee.
 Germania, Ind., Milwaukee.
 Haus und Bauernfreund, Agric. & Fam., Milwaukee.
 Herold (daily), Ind., Milwaukee.
 Landmann, Agric. & Fam., Milwaukee.
 Patriot, Cath., Milwaukee.
 Rundschau, Ind., Milwaukee.
 Seebote, Ind. Dem., Milwaukee.
 Sonntagsbote, Ind. Dem., Milwaukee.
 Sonntagspost, Ind. Rep., Milwaukee.
 Vorwärts, Soc'list Dem., Milwaukee.
 Green County Herold, Ind., Monroe.
 Deutsch-Amerikaner, Ind., Neillsville.
 Post (Eng. & Ger.), Dem., New Glarus.
 Wisconsin Telegraph, Ind., Oshkosh.
 Post (Weekly), Ind., Plymouth.
 Rundschau und Wecker, Rep., Portage.
 Zeitung, Dem., Port Washington.
 Caecilia (German & English) (mo.), Rom. Cath. Ch. Music, St. Francis.
 Pionier Presse, Ind., Sauk City.
 Volksbote-Wochenblatt, Ind. Rep., Shawano.
 Amerika (daily), Rep., Sheboygan.
 National Demokrat (s-wkly), Dem., Sheboygan.
 Zeitung (s-wkly), Rep., Sheboygan.
 Brüder Botschafter, Morav., Watertown.
 Weltbürger, Dem., Watertown.
 Wochenblatt und Pionier, Dem., Wausau.

Greek :**California —**

Greek Echo, Prog., Los Angeles.
 California, San Francisco.
 Greek Times Ind., San Francisco.
 Prometheus, San Francisco.

Illinois—

Aster, Rep., Chicago.
 Loxias, Dem., Chicago.
 Saloniki, Ind., Chicago.

Massachusetts—

Demonios, Lynn.
 People, Lit., Lynn.

Week—Continued.

New York—

Atlantis (daily), Ind., New York.
 Atlantis (mo.), Lit., New York.
 Epirus, New York.
 Kopanos, Satirical, New York.
 National Herald (daily), New York.
 National Herald (mo.), Lit. & Comm'l., New York.
 Olympia (mo.), Ind., New York.
 Satire, Satirical, New York

Utah—

Evzonos, Salt Lake City.
 Light, Non-part., Salt Lake City.

brew:

New York—

America (Spanish Dialect), Spanish-Jewish interests, New York.
 Halbri, Non-part., New York.
 Hatoren, Non-part., New York.

Pennsylvania—

Volksfreund (Yiddish & Hebrew), Jewish, Pittsburg.

Hollandish:

Illinois—

Onze Toekomist, Rep., Chicago.

Iowa—

Volksvriend, Rep., Orange City.
 Vrije Hollander (s-wkly), Ind. Dem., Orange City.
 Weekblad, Dem., Pella.
 Nieuwsblad, Rep., Sioux Centre.

Michigan—

Hollandsche Farmer (mo.), Agric., Grand Rapids.
 Huisvriend (mo.), Relig., Grand Rapids.
 Ideaal (mo.), Fam., Grand Rapids.
 Standaard (s-wkly), Ind., Grand Rapids.
 Wachter, Chn. Ref. Ch., Grand Rapids.
 Grondwet, Rep., Holland.
 Hope, Ref. Ch. of America, Holland.
 Hollandische Amerikaan (3 times a week), Rep., Kalamazoo.

New Jersey—

Oesten, Non-pol., Paterson.
 Telegraaf, Rep., Paterson.

Wisconsin—

Volksstem, Cath., De Pere.

Hungarian:

Connecticut—

Ebreszto (s-mo.), Wallingford.

Illinois—

Amerikai Figyelo, Non-part., Chicago.
 Otthon, Ind., Chicago.

Indiana—

Magyar Tudosito, Non-part., South Bend.

Michigan—

Dongo (s-mo.), Humor, Detroit.
 Magyar Hirlap, Ind., Detroit.
 Takarekos Haziasszony Ujsagja (mo.), Home Manag't., Detroit.

Missouri—

St. Louis es Videke, Rep., St. Louis.

New Jersey—

Magyar Hernok, New Brunswick.
 Szabad Sajto, Rep., Passaic.
 New Jersey Hirado, Ind., Perth Amboy.
 Fuggetlenseg, Trenton.

New York—

Amerikai Magyar Nepszava (daily), Ind., New York.
 Berko Kepes Ujsazja, Lit. & Comm't, New York.
 Elore (daily), Soc'lst, New York.
 Elore. Soc'lst, New York.
 Jo-Egeszeg (mo.), Hygiene, New York.

Hungarian—Continued.**New York—Continued.**

Magyar Banyaszlap, Mining & Labor, New York.
 Magyar Muskaslap, Labor, New York.
 Munkas, Socialist Labor Party, New York.

Ohio—

Akroni Hirlap, Non-pol., Akron.
 Szabadsag (daily), Ind. Rep., Cleveland.
 Amerikai Magyar Hirlap, Hungarian Interests, Youngstown.

Pennsylvania—

Hirado, Rep., Johnstown.
 Magyar Hirado, Ind., Pittsburgh.
 Magyar Vilag, Rep., Pittsburgh.

Italian:**California—**

Capitale, Ind., Sacramento.
 Colonia Svizzera (Swiss-Ital.) (s-wkly), Rep., San Francisco.
 Corriera del Popolo (s-wkly), San Francisco.
 Italia (daily), Ind., San Francisco.
 Sentinella (mo.), Rep., San Francisco.
 Tribuna, Ind., San Francisco.
 Voce del Popolo (daily), Ind., San Francisco.
 Agricoltore Italiano e Italo-Svizzero (mo.), Agric., Stockton.
 Solle, General News, Stockton.

Colorado—

Capitale, Ind., Denver.
 Nazione, Ind., Denver.
 Risveglio (daily), Labor, Denver.
 Roma, Ind., Denver.
 Unione, Ind. & Labor, Pueblo.
 Vindice, Ind., Pueblo.
 Corriere di Trinidad, Ind., Trinidad.

Connecticut—

Luce, Rep., Derby.
 Allabalonetta, Ind., New Haven.
 Corriere del Connecticut, Rep., New Haven.
 Tribuna, Rep., Torrington.
 Progresso del New England, Ind., Waterbury.
 Verita, Rep., Waterbury.

Illinois—

Cittadino di Chicago, Ind., Chicago.
 Idea, Chicago.
 Italia (daily), Ind., Chicago.
 Parola Proletaria, Socialist, Chicago.
 Tribuna Italiana Trans-Atlantica, Ind., Chicago.

Indiana—

United Mine Workers' Journal (Eng. Ital. & Slovak) (semi-mo.)
 Indianapolis.

Kansas—

Lavoratore Italiano, Labor, Pittsburgh.

Louisiana—

Italo-Americano, Ind., New Orleans.
 Voce Coloniale, Ind., New Orleans.

Massachusetts—

Gazetta del Massachusetts, Ind., Boston.
 Notizia (daily), Ind., Boston.
 Sig. Pungolo, Humorous, Boston.
 Eco Coloniale, Ind., Springfield.

Michigan—

Tribuna Italiana d'America, Ind., Detroit.
 Voce del Popolo, Gen'l News, Detroit.
 Minatore Italiano (daily), Ind. & Mining, Laurium.

Missouri—

Lega Italiana, Ind., St. Louis.
 Pensiero, Ind., St. Louis.

Nebraska—

Corriere del Popolo, Ind., Omaha.
 Stampa, Ind., Omaha.

Italian—Continued.

New Jersey—

L'Ora, Rep., Newark.
 Montagna, Ind., Newark.
 Rivista (Eng. & Ital.), Rep., Newark.
 Verita and Mount Carmel Bulletin (Ital. & Eng.), Cath., Newark.
 Messaggero, Ind., Paterson.
 Italo-Americano, Ind., Trenton.

New York—

Capitale, Rep., Albany.
 Italia in Albany, Ind., Albany.
 Messaggero, Rep., Amsterdam.
 Corriere Italiano, Buffalo.
 Cronaca Illustrata, Ind., Mt. Vernon.
 Araldo Italiano (daily), Ind., New York.
 Avvenire, Labor, New York.
 Bolletino della Sera (daily), Rep., New York.
 Carroccio (mo.), Lit. & Pol., New York.
 Cittadino, Ind., New York.
 Colonia, Rep., New York.
 Corriere d'Italia, Rep., New York.
 Corriere Tirolese (semi-wkly), Tyrolean Imigrants, New York.
 Eco d'Italia, Ind., New York.
 Fiaccola, Meth., New York.
 Follia di New York, Rep., New York.
 Giornale Italiano (ev. day), New York.
 La Cardegna, New York.
 Lavora, Labor, New York.
 Progresso Ital-Americano (ev. day), Ind., New York.
 Riforma, New York.
 Telegrafo (ev. day), Rep., New York.
 Domenica, Ind., Rochester.
 Tribuna, Rep., Rochester.
 Corriere di Schenectady, Rep., Schenectady.
 Gazzetta, Ind., Syracuse.
 Indipendenti di Syracuse and Risveglio Coloniale, Ind., Syracuse.
 Luce, Ind., Utica.

Ohio—

Voca Della Verita, Ind., Canton.
 Voce del Popolo Italiano, Ind., Cleveland.
 Messaggero, Steubenville.
 Cittadino Italo Americano, Ind., Youngstown.

Pennsylvania—

New Guide (Eng. & Ital.), Cath., Altoona.
 Gazzetta, Ind., Erie.
 Stella d'Italia, Ind., Greensburg.
 Luce, Hazleton.
 Patriot (Eng. & Ital.), Ind., Indiana.
 Forbice, News & Com't., Philadelphia.
 Italica Gente, Cath., Philadelphia.
 Libera Parola, Philadelphia.
 Mastro Paolo, Rep., Philadelphia.
 Opinione (ev. day), Rep., Philadelphia.
 Sigaretta, Humor., Philadelphia.
 Voce Bella Colonia, Rep., Philadelphia.
 I Nostri Templ, Ind., Pittsburgh.
 Trinacria, Ind., Pittsburgh.
 Minatore, Ind., Scranton.

Rhode Island—

Alba, Ind., Providence.
 Corriere del Rhode Island, Rep., Providence.
 Eco del Rhode Island, Rep., Providence.

Texas—

Tribuna Italiana, Ind., Dallas.
 Aurora, Non-pol., Houston.
 Italo-Americano del Texas (Ital. & Eng.), San Antonio.

Italian—Continued.

Utah—

Gazzetta Italiana, Ind., Salt Lake City.

Washington—

Corriere Italiana, Ind., Spokane.

Japanese:

California—

Japanese Daily News (daily), Ind., Los Angeles.

North American Herald, Hokubei Hochi Shinbun (daily), Ind., Los Angeles.

Sun (daily), Non-part., Los Angeles.

News (daily), Ind. Rep., Sacramento.

Japanese American News (daily), Ind., San Francisco.

New World (ev. day), Ind., San Francisco.

Colorado—

Colorado Times (daily), Ind., Denver.

Nebraska—

Nebraska Times (s-wkly), Scottsbluff.

New York—

Japanese-American Commercial Weekly (Jap. & Eng.), Jap. Com. New York.

Japanese Times (s-wkly), Ind., New York.

Oregon—

Oregon News (daily), Portland.

Utah—

Rocky Mountain Times (3 ti. a wk.), Ind., Salt Lake City.

Utah Nippo (daily), Salt Lake City.

Washington—

Great Northern Daily News (daily), Seattle.

Man-Ji-Ho (s-mo.), Gen. News, Seattle.

North American Times (daily), Ind., Seattle.

Lettish:

Massachusetts—

Amerikas Westnesis (s-mo.), Relig. & Dem., Cambridge.

Lithuanian:

Illinois—

Draugas (daily), Cath., Chicago.

Lietuva (daily), Non-part., Chicago.

Naujlenos (daily), Ind., Chicago.

Wytis (s-mo.), Chicago.

Massachusetts—

Atetis, Non-pol., Boston.

Darbininkas (3 ti. a wk.), Labor, Boston.

Kardas (mo.), Humorous & Satire, Boston.

Keleivis, Ind., Boston.

Sandara, National, Boston.

Amerikos Lietuvis, Non-part., Worcester.

New York—

Garsas, Frat., Brooklyn.

Laisve (s-wkly), Soc'lst., Brooklyn.

Vienbe Lietuvniku, Ind., Brooklyn.

Tevyne, Ind., New York.

Ohio—

Dirva, Ind., Cleveland.

Pennsylvania—

Saule (s-wkly), Non-part., Mahanoy City.

Zvaigzde, Cath., Philadelphia.

Norwegian & Danish:

California—

Bien, Ind., San Francisco.

Illinois—

Evangelists Sendebud, 7th day Advent Mis'n'ry, Brookfield.

Evangelisten, Relig. & Fam., Chicago.

Folke-Vennen, Relig., Chicago.

Kristelige Talsmand, Meth., Chicago.

Revyen, Soc'lst, Chicago.

Scandia, Ind., Chicago.

Norwegian & Danish—Continued.

Illinois—Continued.

Skandinaven (every day), Rep., Chicago.
 Skandinaven (s-wkly), Rep., Chicago.
 Social Demokraten, Socialist, Chicago.
 Verdens Gang, Ind., Chicago.

Iowa—

Dannevirke, Ind., Cedar Falls.
 Ungdom (s-mo;), Lit. & Juv., Cedar Falls.
 Kvinden og Hjemmet (mo.), Fam., Cedar Rapids.
 Posten og Ved Arnen (s-wkly), Fam., Decorah.
 Vagteren, Relig., Harlan.
 Skolen og Hjemmet (s-mo.), Fam., Story City.
 Visergutten, Rep., Story City.

Minnesota—

Vesterhelmen, Direct Legisla'n, Crookston.
 Skandinav, Ind., Duluth.
 Ugeblad, Ind. Rep., Fergus Falls.
 Familien Magasin (mo.), Lit. & Fam., Minneapolis.
 Folkebladet, Luth., Minneapolis.
 Folkets Ven (mo.), Temp. & Fam., Minneapolis.
 Gaa Paa, Soc'lst, Minneapolis.
 Illustreret Familie Journal (mo.), Fam., Minneapolis.
 Lutheraneren, Luth., Minneapolis.
 Lutherske Missionaer, Luth., Minneapolis.
 Posten, Ind., Minneapolis.
 Skandinaviska Good Templaren (Norwegian & Swedish) (mo.), I. O.
 G. T., Minneapolis.
 Sonner af Norge (mo.), Sons of Norway, Minneapolis.
 Tidende (daily), Ind., Minneapolis.
 Tidende, Ind., Minneapolis.
 Ugebladet, Rep., Minneapolis.
 Tidende, Ind. Rep., St. Paul.
 Evangelii Basun, Evan., St. Paul Park.

Montana—

Montana Skandinav (mo.), Helena.

Nebraska—

Danskeren (Danish), Ind., Blair.
 Danske Pioneer (Danish), Ind., Omaha.

New York—

Nordisk Tidende, Brooklyn.
 Nordlyset (Danish), Ind., New York.

North Dakota—

Normanden (s-wkly), Prog., Grand Forks.
 Nordvestern (Eng. & Norw.), Ind. Rep., Minot.

Oregon—

Pacific Skandinaven, Rep., Portland.

South Dakota—

Fremad, Ind., Sioux Falls.

Utah—

Bikuben, Morm., Salt Lake City.

Washington—

Vesten (s-mo.), Bellingham.
 Budstikken (s-mo.), Relig., Seattle.
 Vidnesbyrdet, Meth., Seattle.
 Washington Posten, Ind. Rep., Seattle.
 Skandinav (Nor. Dan. & Eng.), Ind., Spokane.
 Tidende, Rep., Tacoma.

Wisconsin—

Reform, Prohib., Eau Claire.
 Amerika, Rep., Madison.
 Folkets Avis (Danish), Ind., Racine.
 Tidende, Ind. Rep., Superior.

Persian:

New York—

Persian American Courier, Ind., New York.

Polish :**Connecticut—**

Przewodnik Katolicki, Cath., New Britain.

Delaware—

Kuryer, Wilmington.

Sztandar, Ind., Wilmington.

Illinois—

Bicz Rosy, Humorous, Chicago.

Cepy, Humorous, Chicago.

Dziennik Chicagoski (daily), Ind. Dem., Chicago.

Dziennik Ludowy (daily), Labor, Chicago.

Dziennik Narodowy (dly), Rep., Chicago.

Komoszka, Humor, Chicago.

Narod Polski, Ind., Chicago.

Nowy Swyat, Chicago.

Polonia, Non-part., Chicago.

Telegraf, Dem., Chicago.

Wiel, Polish Affairs, Chicago.

Zgoda (daily), Ind., Chicago.

Zgoda, Ind., Chicago.

Indiana—

Goniec Polski (s-wkly), Ind., South Bend.

Maryland—

Jednosc-Polonia, Polish Ind., Baltimore.

Massachusetts—

Kuryer Bostonski (daily), Ind., Boston.

Pobudka, Non-part, Boston.

Michigan—

Orzel Blaly, Bay City.

Sztandar Polski, Bay City.

Dziennik Polski (daily), Ind., Detroit.

Gazetta Handlowa (monthly), Commere'l, Detroit.

Ognisko Domowe, Cath., Detroit.

Polonia-Rekord, Ind., Detroit.

Rekord Codzienny (daily), Ind., Detroit.

Echo Tygodniowe, Non-pol., Grand Rapids.

Minnesota—

Nowiny Minnesockie, St. Paul.

Wiarius, Ind., Winona.

Missouri—

Polak Amerykan, St. Louis.

Przewodnik Polski, Ind., St. Louis.

Nebraska—

Gwiazda Zachodu, Ind., Omaha.

New Jersey—

Oseviata, Elizabeth.

Glos Narodu, Ind., Jersey City.

Goniec Hudsonski, Ind., Jersey City.

Kronika, Ind., Newark.

Przyjaciel Narodu, Passaic.

New York—

Czas, Ind., Brooklyn.

Dziennik Dla Wszystkich (daily), Rep., Buffalo.

Oswiatowiec (mo.), Rep., Buffalo.

Polak w Ameryce (daily), Ind., Buffalo.

Unista, Ind., Buffalo.

Motyl, Humor, New York.

Przegląd Codzienny (daily), New York.

Robotnik Polski, Socialist, New York.

Telegram Codzienny (ev. day), Ind., New York.

Wolna Polska (daily), Ind., New York.

Gazeta Tygodniowa, Rep., Schenectady.

Słowo Polskie, Ind., Utica.

Ohio—

Gwiazda Zjednoczenia, Cath., Cleveland.

Jutrzenka, Ind., Cleveland.

Narodowiec, Ind., Cleveland.

Polish—Continued.

Ohio—Continued.

Polonia w Ameryce, Rep., Cleveland.
 Wiadomosci Codzienné (daily), Ind., Cleveland.
 Ameryka-Echo (ev. day), Ind., Toledo.
 Ameryka-Echo, Ind., Toledo.
 Kuryer Katolicki, Cath., Toledo.
 Nowy Wiek, Ind., Youngstown.

Pennsylvania—

Gazetta Ludowa, Ind., Philadelphia.
 Gwiazda, Rep., Philadelphia.
 Jednosc, Rep., Philadelphia.
 Kuryer Fidełjski (3 ti. a wk.), Ind., Philadelphia.
 Patryota, Rep., Philadelphia.
 Gornik Polski, Socialist, Pittsburgh.
 Haslo Polskie, Ind., Pittsburgh.
 Sokol Polski, Frat., Pittsburgh.
 Wielkopolanin, Cath., Pittsburgh.
 Gazeta Readingska, Reading.
 Pensylwanski Gornik, Ind., Scranton.
 Straz, Labor, Scranton.
 Tygodnik Gorniczy, Ind., Shenandoah.
 Gornik, Ind., Wilkes-Barre.
 Praca, Ind., Wilkes-Barre.
 Republika, Wilkes-Barre.

Texas—

Nowiny Texaskie, Dem., San Antonio.

Wisconsin—

Kuryer Polski (daily), Rep., Milwaukee.
 Nowiny Polskie (daily), Dem., Milwaukee.
 Gwiazda Polarna, Ind., Stevens Point.
 Rolnik, Ind., Stevens Point.

Portuguese:

California—

Revista Portuguesa (monthly), Gen'l News, Hayward.
 O Nundo, Oakland.
 Uniao Portuguesa, Neut., Oakland.
 Imparcial, Ind., Sacramento.
 Liberdade, Rep., Sacramento.
 Journal de Noticias, Ind., San Francisco.

District of Columbia—

Boletim da Uniao Pan-Americano (mo.). Lit. & Comm'l., Washington.

Massachusetts—

Michaelense, News & Comment, Fall River.
 Novidades, Ind., Fall River.
 Vigilante, Comment, Fall River.
 Alvorada, Non-part., New Bedford.
 Independente, New Bedford.
 Popular, Ind., New Bedford.
 Portugal, Portuguese 'nt'sts, New Bedford.

New York—

Hacienda (mo.). Export, Buffalo.
 Exportador Americana.
 see American Exporter, New York.

Pennsylvania—

Revista Dental Internacional (quarterly), Dental, Pittsburgh.

Roumanian:

Illinois—

Roumania (mo.), Chicago.

New York—

Desteapate Romane, New York.

Ohio—

America (daily), Ind., Cleveland.
 Foala Poporului (tri-weekly), Local, Cleveland.
 Romanul (daily), Ind., Cleveland.

Russian:

Illinois—

Russkaya Sjizn, Ind., Chicago.

Russian—Continued.

New York—

American Furrier (Eng., French, Ger. & Russian) (mo.), Fashion.
New York.
Narodnaya Gazeta, New York.
Rodnaya Rech, Prog., New York.
Russian-American Industrial Journal (Eng., Russian.) (mo.), Foreign
Trade, New York.
Russkoye Slovo (ev. day), Non-part., New York.
Russky Golos (daily), Prog. & Prohib., New York.
Svit, Russian Orthodox, New York.

Pennsylvania—

Amerikansky Russky Viestnik—see Slovak edition also. Greek Cath.
Homestead.
Narodna Obrana, Local, Homestead.
Pravda (semi-wkly), Non-part., Olyphant.
Russian Messenger (Russian Slavish), Prog., Pittsburgh.
Russian National News (mo.), Ind., Pittsburgh.

Serbian:

California—

Serbian Herald, Ind., San Francisco.

Illinois—

Balkan-World (Croatian-Serbian), Ind., Chicago.
United Serbian (Serbian-Croatian), Ind., Chicago.

New York—

Serbian Daily (daily), Non-part., New York.
Srobobran, New York.
Srpska Straza, Serbian Affairs, New York.

Pennsylvania—

Amerikanski Srbobran (daily), Dem., Pittsburgh.

Slovak:

Illinois—

Katolicke Slovenski Noviny, Cath., Chicago.
Ludovy Dennik (daily), Chicago.
Nove Casy, Chicago.
Rovnost L'udu, Socialist, Chicago.
Slovensko-Americky Dennik (dly), Chicago.

Indiana—

United Mine Workers' Journal (Eng., Ital. & Slovak) (s-mo.). In-
dianapolis.

New York—

Dennik (daily), Ind., New York.
Krojan, Ind., New York.
Slovak v Amerike (daily), Ind., New York.
Slovensky Pokrok, Non-part., New York.

Ohio—

Hlas (daily), Cleveland.
Hlas, Ind., Cleveland.
Hove Slovenske. Slovak League, Cleveland.
Obrana (s-monthly), Ind., Cleveland.
Slovenske Noviny, Ind., Youngstown.

Pennsylvania—

Orol, Cath., Barnesboro.
Lansfordcan, Local, Hazleton.
Nedel'a, Cath., Hazleton.
Udalosti Sveta (mo.), Amerikansky Russky-Viestnik—Russian edit:
also, Greek Cath., Homestead.
Sokol Sojedinenija, Gym., Homestead.
Jednota, Cath., Middletown.
Amerikansko Slovenske Noviny, Ind., Pittsburgh.
Narodne Noviny, Non-part., Pittsburgh.
Norodny Dennik (daily), Ind., Pittsburgh.
Slovensky Hlasnik, Luth., Pittsburgh.
Bratstvo, Ind., Wilkes-Barre.

Slovenian:

Illinois—

Cas (mo.), Chicago.
Glasilo K. S. K. Jednota, Frat., Chicago.

Slovenian—Continued.

Illinois—Continued.

Glas Svobode (s-wkly.), Ind., Chicago.

Proletarec, Soc'lst, Chicago.

Prosveta (daily), Ind., Chicago.

Amerikanski Slovenec (s-wkly.), Cath., Joliet.

Michigan—

Slovenski Novice, Ind., Calumet.

New York—

Ave Maria (s-mo.), Cath., New York.

Glas Naroda (daily), Ind., New York.

Ohio—

Clevelandska Amerika (3 ti. a wk.), Ind., Cleveland.

Enakopramost (daily), Rep. & Labor, Cleveland.

Sloga, Cleveland.

Wisconsin—

Slovenija, Ind., Milwaukee.

Slovenska Druzina (monthly), Slav. Rep., Milwaukee.

Spanish:

Arizona—

Internacional, Miami.

Justicia, en'l News, Phoenix.

Tucsonense (s-wkly.), Ind., Tucson.

Independiente, Dem., Yuma.

California—

Heraldo de Mexico (s-wkly.), Ind., Los Angeles.

Prensa, Ind., Los Angeles.

Hispano Americano, Ind., San Diego.

Hispano America (s-wkly.), San Francisco.

Colorado—

Aurora, Antonito.

Siser Republics (Eng. & Span.) (mo.), Export, Denver.

Heraldo del Valle, Rep., San Luis.

Anunciador, Dem., Trinidad.

Progreso (Span. & Eng.), Rep., Trinidad.

District of Columbia—

Boletin de la Union Panamericana (mo.), Lit. & Com'l, Washington.

Florida—

Florida, Ind., Key West.

Journal (Eng. & Span.) (daily).

Sunday edition, Dem., Key West.

Heraldo Dominical, Tampa.

Louisiana—

Mercurio (mo.), Export, New Orleans.

Mundo Azucarero (mo.), Sugar Int'sts, New Orleans.

Massachusetts—

Boot and Shoe Recorder (mo.), Shoe Trade.

(Spanish edition), (Export), Boston.

Reporter Latino-Americano (bi-mo.), Shoes & Leather, Boston.

Missouri—

Cosmopolita, Ind., Kansas City.

New Mexico—

Bandera Americana, Rep., Albuquerque.

Hispano Americana, Rep., Belen.

Union del Pueblo, Dem., Clayton.

Granja y El Hogar (s-mo.), Agric., East Las Vegas.

Voz del Pueblo, Dem., East Las Vegas.

Estrella, Rep., Las Cruces.

Independiente, Rep., Las Vegas.

Eco del Norte, Rep., Mora.

Independiente, Ind., Mountaineer.

Cometa (Span. & Eng.), Rep., Raton.

Nuevo Mexicano, Ind., Santa Fe.

Sun, Rep., Santa Rosa.

Voz Publica (Span. & Eng.), Santa Rosa.

Defensor del Pueblo, Dem., Socorro.

Heraldo, Rep., Socorro.

Revista de Taos, Rep., Taos.

Spanish—Continued.

New Mexico—Continued.

Taos Valley News and El Crapuscula (Eng. & Span.), Dem., Taos
 Nuevo Estado, Rep., Tierra Amarilla.
 Combate, Rep., Wagon Mound.
 Sentinel (Span. & Eng.), Wagon Mound.

New York—

Hacienda (mo.), Export, Buffalo.
 Inter-American (mo.), see note in catalogue, Pan-Amer., Garden City
 Revista del Mundo (quarterly), Latin-Amer. Affairs, Garden City
 America (mo.), Export, New York.
 America Futura (mo.), Lit. & Fam., New York.
 Americas, Las (mo.), Pan-Amer. Affairs, New York.
 Automovil Americano (quarterly), Auto. & Export, New York.
 Cine-Mundial (mo.), Moving Pictures, Span. American, New York
 Comercio (mo.), Export, New York.
 Empresa (mo.), Export & Financial, New York.
 Exportador American (see American Exporter), New York.
 Geyer's Revista Internacional Papellus, Imprenta y Accesorios para
 Oficinas (Geyer's International Review of Stationery, Printing -
 Office Supplies) (quarterly), Stationery, New York.
 Ingeniero y Contratista (mo.), Eng. & Contract'g, New York.
 Importers Guide (see note, in catalogue) (bi-mo.), Export, New York
 Norte Americano (mo.), Pan-Amer. Affairs, New York.
 Novedades, Ind., New York.
 Pictorial Review (5
 Prensa (daily), Ind
 Revista Americana
 Pharm. & Hospital
 Revista Internacional
 Revista Universal (1
 Vogue (mo.), Fashion

Pennsylvania—

America Comercial
 Shoe & Leather Factory
 Philadelphia.
 Revista Dental Interna

Texas—

El Paso del Norte (1
 Revista Catolica, Ca
 Revista Ilustrada, 1
 Revista Ilustrada (1
 Eco de Falfurrias (1
 Democrata Fronter
 Evolucion (daily), 1
 Obrero, Labor, Lare
 Fronterizo, Rio Gra
 Voz del Pueblo, Den
 Adelante (mo.), Agri
 Epoca, Comments &
 Imparcial de Texas
 La Defensa, Mex. In
 Prensa (ev. day), 1
 Prensa, Ind., San A
 Presente (ev. day), 1
 Revista Mexicana, 1
 Libertad, Rep., San

Swedish:

California—

California Vecoblad
 Vestkusten, Lib., Sa
 Missionstidningen, (

Colorado—

Svensk-Amerikanska

Connecticut—

Osterns Weckoblad,

Swedish—Continued.

Illinois—

Tidens Tecken och Slons, 7th Day.
 Vaktare, Advts., Brookfield.
 Bladet, Relig., Chicago.
 Epworth Kockan (s-mo.), Meth., Chicago.
 Finska Missions Posten (Swed. & Finn) (mo.), Bapt., Chicago.
 Forbundets Veckotidning, Evan., Chicago.
 Missions-Vannen, Evan., Chicago.
 Sandebudet, Meth., Chicago.
 Sondagsskolan Och Hemmet, Bapt. S. S., Chicago.
 Svenska Amerikanaren, Ind., Chicago.
 Svenska Kuriren, Rep., Chicago.
 Svenska Socialisten, Socialist, Chicago.
 Svenska Standaret, Bapt., Chicago.
 Svenska Tribunen-Nyheter, Ind. Rep., Chicago.
 Svenska-Amerikanska Familj Journalen (monthly), Lit. & Fam., Evans-
 ton.
 Svenska Posten, Rep., Rockford.
 Augustana, Luth., Rock Island.
 Ungdommens Sandebud (mo.), Luth.-Evan., Juv., Rock Island.
 Ungdomsvannen (mo.), Lit., Rock Island.

Iowa—

Qvinnan Och Hemmet (mo.), see Kvinden og Hjemmet, Cedar Rapids.
 Iowa-Posten, Ind., Des Moines.
 Svenska Monitoren, Rep., Sioux City.

Kansas—

Kansas Missions-Tidnings (mo.), Missions, Lindsborg.
 Posten, Luth., Lindsborg.

Massachusetts—

Nya Sverige (mo.), Temp., Worcester.
 Svea, Ind., Worcester.

Michigan—

Posten, Rep., Calumet.
 Medborgaren, Rep., Escanaba.
 Superior Posten, Rep., Ishpeming.

Minnesota—

Posten, Rep., Duluth.
 Svensk-Finska Sandebudet (mo.), Luth., Duluth.
 Forskaren (Mo.), Agnostic, Minneapolis.
 Missionstidningen (s-mo.), Missions, Minneapolis.
 Nordiska Hem (mo.), Lit. & Fam., Minneapolis.
 Nya Idun (mo.), Relig. & Lit., Minneapolis.
 Skandinaviska Good Templaren (Norw. & Swed.) (mo.), I .O. G. T.,
 Minneapolis.
 Skordemannen (s-mo.), Agric.; Minneapolis.
 Svenska Amerkanska Posten, Ind., Minneapolis.
 Svenska Folkets Tidning, Ind., Minneapolis.
 Svensk Familj Journal (mo.), Fam., Minneapolis.
 Veckobladet, Swed. News, Minneapolis.
 Svenska Roman-Bladet, Fam., Red Wing.
 Minnesota Stats Tidning, Rep., St. Paul.
 Evangelii Trumpet (s-mo.), St. Paul Park.

Nebraska—

Posten, Agric. & Gen'l. News, Omaha.

New York—

Finska Amerikanaren, Lib., Brooklyn.
 Skandia, Rep., Jamestown.
 Vart Land (Swed. & Eng.), Rep., Jamestown.
 Arbetaren, Labor, New York.
 Nordstjernen (s-wkly.), Ind., New York.

Oregon—

Oregon Posten, Non-part., Portland.

Pennsylvania—

Svenska Veckobladet, Ind. Rep., McKeesport.

Texas—

Texas Posten, Lib., Austin.

Swedish—Continued.**Utah—**

Utah Posten, Mormon, Salt Lake City.

Washington—

Svenska Pacific Tribunen, Ind., Seattle.

Svenska Nordvastern, Ind., Spokane.

Puget Sound Posten, Rep., Tacoma.

Sions-Bladet (mo.), Luth, Tacoma.

Wisconsin—

Svenska Amerikanska Tribunen, Ind. Rep.: Superior.

Ukrainian (Ruthenian):**New Jersey—**

Svoboda (3 tl. a wk.), Dem., Jersey City.

Haydamaka, Labor, Trenton.

New York—

Iskra (semi-monthly), Humor, New York.

Ohio—

Robitnyk (daily), Soc'lst, Cleveland.

Pennsylvania—

Prosvita, Ind. & Greek Cath., McKeesport.

New Life (s-mo.), Non-pol., Olyphant.

America (daily), Ukrai Interests, Philadelphia.

Sojuz, Presb., Pittsburgh.

Narodna Wola (3 tl. a wk.), Ind., Scranton.

Welsh:**New York—**

Cyfaill (Welsh & Eng.) (mo.), Calvinistic Meth., Utica.

Drych, Ind. Rep., Utica.

Yiddish (see also Hebrew):**Illinois—**

Jewish Call (daily), Ind., Chicago.

Jewish Courier (daily), Ind., Chicago.

Jewish Press (daily), Ind. Rep., Chicago.

Jewish Progress, Ind., Chicago.

Jewish Record, Ind., Chicago.

Jewish Times, Ind., Chicago.

World (daily), Labor, Chicago.

Massachusetts—

Jewish American, Ind., Boston.

New Jersey—

Jersey Voice, Bayonne.

New York—

Brooklyn-Brownsville Post, Ind., Brooklyn.

Jewish Progress, Ind., Brooklyn.

National News-dealer and Stationer (mo.) (Eng. & Yiddish), News-dealers & Stat's., Long Island City.

Amerikaner, Jewish Lit., New York.

Big Stick, Humor, New York.

Butchers' Journal and Poultry Magazine, Butchers, New York.

The Day (daily), Ind., New York.

Fortsschritt, Labor, New York.

Freie Arbeiter Stimme, Non-pol., New York.

Grocer's Guide and Modern Businessman (Yiddish & Eng.), Grocer's, New York.

Jewish Business Record, Com'l., New York.

Jewish Daily Forward (daily), Labor, New York.

Jewish Daily News (daily), Ind., New York.

Jewish Farmer (mo.), Agric., New York.

Jewish Gazette, Ind., New York.

Jewish Morning Journal (daily), Ind., New York.

Jewish Nation—see Yiddish Folk, New York.

Ladies' Garment Worker (Eng. & Yiddish) (monthly), Labor, New York.

New Post, Labor, New York.

Volksadvocat, Ind., New York.

Vorwärts—see Jewish Daily Forward warheit (every day), Ind., New York.

Yiddish (see also Hebrew)—Continued.

New York—Continued.

Waste Material Press and Metal Trade Journal, Junk & Metals, New York.

Yiddshe Folk (s-wkly), Zionist, New York.

Zukunft (mo.), Lit. & Soc'lst, New York.

Ohio—

Jewish World (daily), Ind., Cleveland.

Pennsylvania—

Jewish Morning Journal (daily), Rep., Philadelphia.

Jewish World (every day), Rep., Philadelphia.

Volksfreund (Yiddish & Hebrew), Jewish, Pittsburgh.

Wisconsin—

Wochenblat, Jewish Interests, Milwaukee.

Tabulation of foreign-language newspapers of the United States.

[Compiled by Clyde P. Steen, president National Association City Editors.]

	State.	Num-ber.		State.	Num-ber.
Albanian, 6.....	Massachusetts.....	3	German, 330.....	Maryland.....	1
	New York.....	3		Michigan.....	6
Arabic, 10.....	Massachusetts.....	2		Minnesota.....	14
	New York.....	8		Missouri.....	22
Armenian, 8.....	California.....	3		Montana.....	1
	Illinois.....	1		Nebraska.....	7
	Massachusetts.....	3		New Jersey.....	9
	New York.....	1		New York.....	33
Belgian Flemish, 3.....	Illinois.....	1		North Dakota.....	6
	Michigan.....	2		Ohio.....	44
Bohemian, 60.....	Illinois.....	20		Oklahoma.....	3
	Iowa.....	2		Oregon.....	2
	Maryland.....	1		Pennsylvania.....	21
	Missouri.....	3		South Dakota.....	4
	Nebraska.....	11		Texas.....	16
	New York.....	8		Utah.....	1
	Ohio.....	3		Virginia.....	1
	Pennsylvania.....	1		Washington.....	3
	Texas.....	8		Wisconsin.....	51
	Wisconsin.....	3	Greek, 19.....	California.....	4
Bulgarian, 1.....	Illinois.....	1		Illinois.....	3
Chinese, 7.....	California.....	4		Massachusetts.....	2
	New York.....	2		New York.....	8
Croatian, 10.....	California.....	2		Utah.....	2
	Illinois.....	2	Hebrew, 4.....	New York.....	3
	Michigan.....	1		Pennsylvania.....	1
	Minnesota.....	1	Hollandish, 16.....	Illinois.....	1
	New York.....	3		Iowa.....	4
	Pennsylvania.....	1		Michigan.....	8
Esperanto, etc., 2.....	Massachusetts.....	1		New Jersey.....	2
	Ohio.....	1		Wisconsin.....	1
Finnish, 21.....	Illinois.....	1	Hungarian, 27.....	Connecticut.....	1
	Massachusetts.....	3		Illinois.....	2
	Michigan.....	5		Indiana.....	1
	Minnesota.....	4		Michigan.....	4
	New York.....	2		Missouri.....	1
	Oregon.....	3		New Jersey.....	4
	Wisconsin.....	3		New York.....	8
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(Following is the order read by Senator Sterling on page 245:

WAR DEPARTMENT.
OFFICE OF THE CHIEF OF STAFF.
Washington, January 30, 1918

Memorandum No. 21:

1. The Chief of Staff directs that all officers, employees, or persons in the Military Intelligence Division be informed that the information in their possession is confidential and can not be released to Senators, Congressmen, Congressional Committees, or to others in official or private life in Washington or elsewhere without the approval of the Secretary of War.
2. All requests received for such information in Washington, where it is compatible with the public interest that the request be complied with, will immediately be brought to the attention of the office of the Director, Military Intelligence Division, properly prepared in the usual staff memorandum for transmission to the Office of the Chief of Staff.

3. With requests for information made at places other than in Washington the proper action to be taken will consist of forwarding the request to the office of the Director, Military Intelligence Division, Washington, in the usual letter form.

By order of Colonel Dunn.

A. G. CAMPBELL,
Lieutenant Colonel, General Staff,
Executive Assistant.

(At this point the committee proceeded to other business, at the conclusion of which it adjourned, the hearings on the subjects of German propaganda and of the brewers' and the liquor dealers' activities being thereupon closed. The same subcommittee later proceeded, under Senate resolution 439, to investigate lawless propaganda in the United States, especially Bolshevik propaganda, these latter hearings being published in a separate volume entitled "Bolshevik Propaganda.")

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